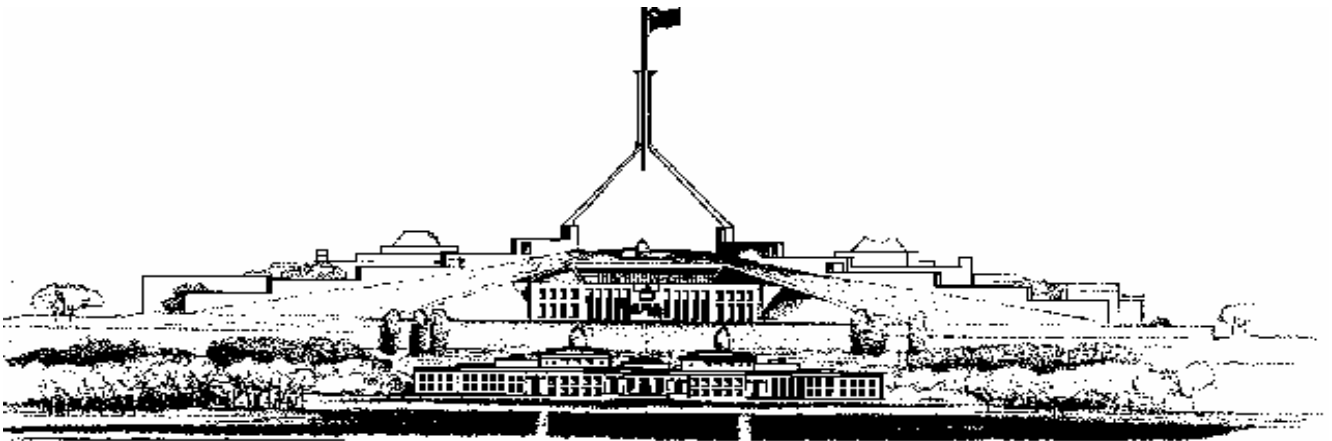




COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



House of Representatives

Official Hansard

No. 19, 2005

Wednesday, 9 November 2005

FORTY-FIRST PARLIAMENT
FIRST SESSION—FOURTH PERIOD

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

INTERNET

The Votes and Proceedings for the House of Representatives are available at
<http://www.aph.gov.au/house/info/votes>

Proof and Official Hansards for the House of Representatives,
the Senate and committee hearings are available at
<http://www.aph.gov.au/hansard>

For searching purposes use
<http://parlinfoweb.aph.gov.au>

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, 16, 17, 18
September	5, 6, 7, 8, 12, 13, 14, 15
October	10, 11, 12, 13, 31
November	1, 2, 3, 7, 8, 9, 10, 28, 29, 30
December	1, 5, 6, 7, 8

RADIO BROADCASTS

Broadcasts of proceedings of the Parliament can be heard on the following Parliamentary and News Network radio stations, in the areas identified.

<i>CANBERRA</i>	103.9FM
<i>SYDNEY</i>	630 AM
<i>NEWCASTLE</i>	1458 AM
<i>GOSFORD</i>	98.1 FM
<i>BRISBANE</i>	936 AM
<i>GOLD COAST</i>	95.7 FM
<i>MELBOURNE</i>	1026 AM
<i>ADELAIDE</i>	972 AM
<i>PERTH</i>	585 AM
<i>HOBART</i>	747 AM
<i>NORTHERN TASMANIA</i>	92.5 FM
<i>DARWIN</i>	102.5 FM

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

Governor-General

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

House of Representatives Officeholders

Speaker—The Hon. David Peter Maxwell Hawker MP

Deputy Speaker—The Hon. Ian Raymond Causley MP

Second Deputy Speaker—Mr Henry Alfred Jenkins MP

Members of the Speaker's Panel—The Hon. Dick Godfrey Harry Adams, Mr 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 Kim William Wilkie

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

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

Manager of Opposition Business—Ms Julia Eileen Gillard MP

Deputy Manager of Opposition Business—Mr Anthony Norman Albanese MP

Party Leaders and Whips

Liberal Party of Australia

Leader—The Hon. John Winston Howard MP

Deputy Leader—The Hon. Peter Howard Costello MP

Chief Government Whip—Mr Kerry Joseph Bartlett MP

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

The Nationals

Leader—The Hon. Mark Anthony James Vaile MP

Deputy Leader—The Hon. Warren Errol Truss MP

Chief Whip—Mr John Alexander Forrest MP

Whip—Mr Paul Christopher Neville MP

Australian Labor Party

Leader—The Hon. Kim Christian Beazley MP

Deputy Leader—Ms Jennifer Louise Macklin MP

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

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

Printed by authority of the House of Representatives

Members of the House of Representatives

Member	Division	Party
Abbott, Hon. Anthony John	Warringah, NSW	LP
Adams, Hon. Dick Godfrey Harry	Lyons, TAS	ALP
Albanese, Anthony Norman	Grayndler, NSW	ALP
Anderson, Hon. John Duncan	Gwydir, NSW	Nats
Andren, Peter James	Calare, NSW	Ind
Andrews, Hon. Kevin James	Menzies, VIC	LP
Bailey, Hon. Frances Esther	McEwen, VIC	LP
Baird, Hon. Bruce George	Cook, NSW	LP
Baker, Mark Horden	Braddon, TAS	LP
Baldwin, 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, Kim William	Swan, WA	ALP
Windsor, Antony Harold Curties	New England, NSW	Ind
Wood, Jason Peter	La Trobe, VIC	LP

PARTY ABBREVIATIONS

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

Heads of Parliamentary Departments

Clerk of the Senate—H Evans

Clerk of the House of Representatives—I C Harris

Secretary, Department of Parliamentary Services—H R Penfold QC

HOWARD MINISTRY

Prime Minister	The Hon. John Winston Howard MP
Minister for Trade and Deputy Prime Minister	The Hon. Mark Anthony James Vaile MP
Treasurer	The Hon. Peter Howard Costello MP
Minister for Transport and Regional Services	The Hon. Warren Errol Truss MP
Minister for Defence 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 and Deputy Leader of the House	The Hon. Peter John McGauran 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	The Hon. John Kenneth Cobb 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 (Trade)	Senator the Hon. John Alexander Lindsay Macdonald
Parliamentary Secretary (Foreign Affairs) and Parliamentary Secretary to the Minister for Immigration and Multicultural and Indigenous Affairs	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 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, Shadow Minister for Indigenous Affairs and Shadow Minister for Family and Community Services	Senator Christopher Vaughan Evans
Deputy Leader of the Opposition in the Senate and Shadow Minister for Communications and Information Technology	Senator Stephen Michael Conroy
Shadow Minister for Health and Manager of Opposition Business in the House	Julia Eileen Gillard MP
Shadow Treasurer	Wayne Maxwell Swan MP
Shadow Attorney-General	Nicola Louise Roxon MP
Shadow Minister for Industry, Infrastructure and Industrial Relations	Stephen Francis Smith MP
Shadow Minister for Foreign Affairs and Trade and Shadow Minister for International Security	Kevin Michael Rudd MP
Shadow Minister for Defence	Robert Bruce McClelland MP
Shadow Minister for Regional Development	The Hon. Simon Findlay Crean MP
Shadow Minister for Primary Industries, Resources, Forestry and Tourism	Martin John Ferguson MP
Shadow Minister for Environment and Heritage, Shadow Minister for Water and Deputy Manager of Opposition Business in the House	Anthony Norman Albanese MP
Shadow Minister for Housing, Shadow Minister for Urban Development and Shadow Minister for Local Government and Territories	Senator Kim John Carr
Shadow Minister for Public Accountability and Shadow Minister for Human Services	Kelvin John Thomson MP
Shadow Minister for Finance	Lindsay James Tanner MP
Shadow Minister for Superannuation and Inter-generational Finance and Shadow Minister for Banking and Financial Services	Senator the Hon. Nicholas John Sherry
Shadow Minister for Child Care, Shadow Minister for Youth and Shadow Minister for Women	Tanya Joan Plibersek MP
Shadow Minister for Employment and Workforce Participation and Shadow Minister for Corporate Governance and Responsibility	Senator Penelope Ying Yen Wong

(The above are shadow cabinet ministers)

SHADOW MINISTRY—*continued*

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

CONTENTS

WEDNESDAY, 9 NOVEMBER

CHAMBER

Questions To the Speaker—	
Contingent Notice of Motion.....	1
Anglo-Australian Telescope Agreement Amendment Bill 2005—	
First Reading	1
Second Reading	1
Employment and Workplace Relations Legislation Amendment (Welfare to Work and Other Measures) Bill 2005—	
First Reading	2
Second Reading	2
Family and Community Services Legislation Amendment (Welfare to Work) Bill 2005—	
First Reading	8
Second Reading	8
Australian Citizenship Bill 2005—	
First Reading	9
Second Reading	9
Australian Citizenship (Transitionals and Consequentials) Bill 2005—	
First Reading	14
Second Reading	14
Workplace Relations Amendment (Work Choices) Bill 2005—	
Second Reading	14
Ministerial Arrangements	69
Questions Without Notice—	
Workplace Relations.....	70
South Asia Earthquake	70
Workplace Relations.....	71
Distinguished Visitors.....	72
Questions Without Notice—	
National Security.....	72
Workplace Relations.....	73
National Security.....	75
Distinguished Visitors.....	75
Questions Without Notice—	
Workplace Relations.....	75
Economy.....	76
Workplace Relations.....	77
Workplace Relations.....	77
Workplace Relations.....	79
Trade.....	79
Welfare to Work.....	80
Iraq	82
Illegal Fishing.....	83
Private Health Insurance.....	83
Oil for Food Program	84
Social Welfare	86
Questions to the Speaker—	
National Security.....	88
Uniform Summertime.....	88
Questions in Writing.....	88

CONTENTS—*continued*

Questions in Writing.....	88
Documents	88
Matters of Public Importance—	
Australian Wheat Board	89
Law and Justice Legislation Amendment (Serious Drug Offences and Other Measures) Bill 2005	101
Copyright Amendment (Film Directors' Rights) Bill 2005	101
Customs Tariff Amendment (Commonwealth Games) Bill 2005—	
Assent	101
Therapeutic Goods Amendment Bill 2005—	
Report from Main Committee	101
Third Reading.....	102
Australian Workplace Safety Standards Bill 2005.....	102
National Occupational Health and Safety Commission (Repeal, Consequential and Transitional Provisions) Bill 2005—	
Returned from the Senate	102
Defence Legislation Amendment Bill (No. 2) 2005—	
First Reading	102
Higher Education Legislation Amendment (2005 Budget Measures) Bill 2005—	
Consideration of Senate Message.....	102
Migration and Ombudsman Legislation Amendment Bill 2005	102
Tax Laws Amendment (Superannuation Contributions Splitting) Bill 2005—	
Referred to Main Committee.....	102
Main committee—	
Native Title Committee—Reference	102
Committees—	
Electoral Matters Committee—Report.....	102
Public Works Committee—Report.....	102
Workplace Relations Amendment (Work Choices) Bill 2005—	
Second Reading	104
Adjournment—	
Workplace Relations.....	155
Remembrance Day	156
Workplace Relations.....	157
National Security	158
Workplace Relations.....	160
Parliamentary Delegation to the Middle East.....	161
Notices	162
MAIN COMMITTEE	
Statements By Members—	
Workplace Relations.....	165
Children with Disabilities.....	166
Dental Services.....	166
Muslim Community	167
Balgownie War Memorial	168
Gilmore Youth Leadership Forum.....	169
Workplace Relations.....	170
Queensland: Health	171
Remembrance Day	171
Australian Capital Territory: Jail	172

CONTENTS—continued

Therapeutic Goods Amendment Bill 2005—	
Second Reading	173
Consideration in Detail.....	193
Committees—	
Environment and Heritage Committee—Report	194
QUESTIONS IN WRITING	
Commonwealth Funded Programs—(Question No. 723)	216
Opinion Polls—(Question No. 1068)	217
Opinion Polls—(Question No. 1081)	218
Recruitment Agencies—(Question No. 1105).....	219
Commonwealth Property—(Question No. 1995).....	227
Commonwealth Property—(Question No. 1998).....	228
Commonwealth Property—(Question No. 2382).....	230

Wednesday, 9 November 2005

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

QUESTIONS TO THE SPEAKER

Contingent Notice of Motion

The SPEAKER (9.01 am)—The Manager of Opposition Business sought my views yesterday in connection with contingent notices of motion such as were used during consideration of bills for the further privatisation of Telstra. The term ‘contingent notice of motion’ has a specific parliamentary meaning, as explained in *House of Representatives Practice*, pages 290-291. This device was not used during the consideration of Telstra bills recently. However, standing orders were suspended to place a limit on the time for consideration. This procedure has been used on two other occasions in recent times.

While as Speaker I preside over sittings of the House, it is not normally my role to comment on the tactics or strategies adopted by government or opposition members. My role is to facilitate the orderly process of the chamber. I am not privy to discussions between the clerks and government or non-government members unless the members inform me or authorise the clerks to inform me. Neither I nor my office was involved in the arrangements referred to by the member.

ANGLO-AUSTRALIAN TELESCOPE AGREEMENT AMENDMENT BILL 2005

First Reading

Bill presented by **Dr Nelson**, and read a first time.

Second Reading

Dr NELSON (Bradfield—Minister for Education, Science and Training) (9.02 am)—I move:

That this bill be now read a second time.

I am pleased to announce that the United Kingdom and Australian governments have agreed to a supplementary agreement to the Anglo-Australian Telescope Agreement.

This bill amends the Anglo-Australian Telescope Agreement Act 1970 to incorporate the supplementary agreement.

The original Anglo-Australian Telescope Agreement was signed on 25 September 1969 and began a major scientific collaboration between Australia and the United Kingdom. In the early 1970s the Anglo-Australian telescope was constructed at Siding Springs near Coonabarabran in New South Wales. With a mirror diameter of 3.9 metres and state-of-the-art design it was then one of the largest and most sophisticated optical telescopes in existence.

Over the ensuing 35 years the Anglo-Australian telescope has made a significant contribution to astronomy, both in Australia and internationally.

Even today the Anglo-Australian telescope remains one of the most productive major telescopes in the world, particularly amongst the four metre class of telescope. Recent scientific highlights include the discovery of ‘cosmic ripples’ which help explain why the universe is as lumpy as it is, the discovery of the 100th extra-solar planet and the discovery of a new type of ultra-compact dwarf galaxy.

In 2001 the United Kingdom government advised that it wanted to end its involvement with the Anglo-Australian telescope. Under the current Anglo-Australian Telescope Agreement either party has the right to terminate the agreement with five years notice.

Rather than terminating the agreement in 2006, however, Australia and the United Kingdom agreed to extend the collaboration until 2010 under arrangements that allow the

United Kingdom government to gradually reduce its funding commitment.

The extension of Anglo-Australian collaboration is a most welcome development. It has, I believe, played an important part in the development of Australian astronomy into one of our premier research disciplines. It is a discipline that brings much international recognition to our scientific and technological capacity.

The United Kingdom government has also agreed, under the supplementary agreement, to gift its half of the Anglo-Australian telescope and the associated facilities to Australia in July 2010. The Anglo-Australian telescope will remain a valuable scientific and educational tool for Australia for many years to come.

The supplementary agreement makes a number of amendments to the original agreement in order to facilitate the gradual phasing out of United Kingdom involvement.

It provides that observing time is to be allocated according to the financial contribution of each country, rather than shared equally as at present.

It explicitly allows the Anglo-Australian Telescope Board—the binational body that operates the Anglo-Australian telescope—more scope for earning external income. Associated with the Anglo-Australian telescope is one of the most advanced and innovative astronomical instrument laboratories in the world. It has produced, and is producing, major instruments both for the Anglo-Australian telescope and for large overseas telescopes such as the Japanese Subaru telescope in Hawaii.

The supplementary agreement now allows each country to determine the level of its contribution above that minimum level independently of the other. While the primary reason for this change is to allow the gradual

withdrawal of United Kingdom funding, it also gives Australia greater flexibility in determining its contribution.

Full details of the measures in the bill are contained in the explanatory memorandum circulated to honourable members.

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

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

**EMPLOYMENT AND WORKPLACE
RELATIONS LEGISLATION
AMENDMENT (WELFARE TO WORK
AND OTHER MEASURES) BILL 2005**

First Reading

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

Second Reading

Mr ANDREWS (Menzies—Minister for Employment and Workplace Relations and Minister Assisting the Prime Minister for the Public Service) (9.07 am)—I move:

That this bill be now read a second time.

Introduction

The government's \$3.6 billion Welfare to Work package recognises that every Australian of working age has the right, and deserves the opportunity, to participate in the nation's prosperity.

The best way for people to do this is by having a job and engaging in the economic and social life of our nation.

The economic record of the last decade is an impressive one. Australia's prosperity is no accident. Unemployment has been reduced to 5.1 per cent and, due to the creation of more than 1.7 million new jobs, employment is at a record high with more than seven million Australians in full-time work.

The spectre of unemployment has given away in many places to labour shortages, especially of skilled labour. The unemploy-

ment queues of the early 1990s have diminished, but the ranks of the disabled pensioners and sole parent beneficiaries have grown rapidly. Too many children still grow up in jobless households.

At a time of sustained economic growth and unemployment at 29-year lows, it is unacceptable to have 2.5 million or 20 per cent of working age Australians on income support. Of these, more than 1.3 million people are in receipt of parenting payment or the disability support pension and have few, if any, participation requirements.

It is also unacceptable to have 700,000 children growing up in jobless households, in which two or three generations of Australians may not know what it is like to have a job, let alone steady employment and regular income.

No-one denies the fact that a government must preserve a well-targeted social safety net while at the same time encouraging working age people to find jobs and remain employed. These welfare reforms demonstrate the government's strong commitment to this principle.

At the same time, people on welfare deserve more support and it is vital for Australia's continuing prosperity that they be given every assistance and opportunity in which to achieve better outcomes.

Increasing economic participation

The bill meets with community standards about the need for a balance of assistance, incentives and obligations to increase participation and reduce welfare dependence amongst working age Australians.

Moving from welfare to work helps people achieve higher incomes and a better standard of living, participate in mainstream social and economic life and achieve a better future for their families. It also reduces the obligation on taxpayers, creating a positive

cycle of work, higher incomes and more sustainable and better targeted welfare expenditure.

At a cost of \$3.2 billion, the Welfare to Work measures covered by this bill focus on assisting parents, people with disabilities, the mature aged and the very long term unemployed.

This bill will respond to our twin challenges: the imperatives to increase participation for these groups and reduce their level and incidence of welfare dependence.

Newstart allowance will be enhanced, additional employment assistance will be provided, compliance arrangements will be improved to encourage and reward participation and job seekers will be able to connect more quickly with the work force through Rapid-Connect.

Parents—availability to work

Parents out of the work force for long periods of time are in danger of losing the skills and self-confidence necessary for them to return to work. Single parents spend around 12 years on average on income support. It is not surprising that some parents find it difficult to transfer back into work after extended periods out of the labour force.

Under the measures, the core requirement for principal carer parents on income support payments will be to look for part-time work, if they have the capacity and availability to do so, generally when their youngest child turns six and is ready for school.

If they are unable to find work, they will continue to keep their income support. In many cases parents meeting their requirements through part-time work will retain part-rate income support.

These reforms are in line with community expectations and are modest by international standards.

From 1 July 2006 new applicants will be eligible for parenting payment single when their youngest child is aged less than eight. For parenting payment partnered applicants, this will apply when their youngest child is less than six. Once their youngest child turns either six, for parenting payment partnered recipients, or eight, for parenting payment single recipients, they will typically go on to Newstart. Single principal carer parents in receipt of Newstart allowance will also have access to the pensioner concession card, the pharmaceutical allowance and the telephone allowance.

Principal carers on Newstart or youth allowance, other than full-time students or new apprentices, will have a requirement to look for paid work of 15 hours a week or more. Parents qualifying for parenting payment single from 1 July 2006 will have a job search requirement when their youngest child turns six.

Parents on parenting payment single or partnered on 30 June 2006 can stay on that payment, under current eligibility provisions, until their youngest child turns 16. However, they will have a job search requirement from the latter of 1 July 2007 or when their youngest child turns seven.

The Australian government has no intention of placing requirements on parents that could inhibit their ability to care for their children. Parents' individual circumstances will be taken into account when determining their participation requirements.

Special family circumstances

The government also recognises that some principal carer parents—for example, registered and active foster carers, distance educators, home schoolers or those who have large families or a disabled child—may be unavailable for work because of the need to focus fully on their caring responsibilities.

If a parent has special family circumstances such as these, they will be taken into account when determining their participation requirements under the Welfare to Work changes, and the parent may be eligible for a temporary exemption.

Circumstances where the parent has multiple caring responsibilities or cannot find suitable child care will also be taken into consideration.

Income supplement

All principal carer parents who are registered and active foster carers, home educators or distance educators will be exempt from participation requirements for a period of up to 12 months at a time and will receive a new rate that tops up their income support payment to the equivalent of the parenting payment single rate. This applies for the period of the exemption and is reviewable.

The new rate will be indexed from 1 July 2006 so that it will continue to cover any difference between parenting payment single and Newstart allowance.

To support these changes, from 1 July 2006 more parents who have children with very challenging physical, intellectual, psychological or behavioural disabilities will qualify for an expanded carer payment. This will be provided for in a separate bill.

Victims of domestic violence

Principal carer parents who are subject to family breakdown associated with domestic violence will be temporarily exempted from participation requirements. Others who have been subjected to domestic violence will be temporarily exempted from participation requirements under current, more general exemption provisions.

Additionally, principal carer parents who have undergone a highly stressful family breakdown may be eligible for a period of stabilisation before participation require-

ments commence. This will give them time to adjust before looking for work.

Improved child-care provisions will assist parents returning to the work force. The measures will provide the additional outside school hours child care necessary to reduce barriers parents face in moving from welfare to work, as well as addressing the current high demand for places. Principal carer parents with part-time work requirements will not be expected to take up work if it occurs outside school hours and no suitable child care is available, or the cost of care would result in a very low or negative financial gain from working.

The government recognises that some parents may have barriers to overcome as they enter or re-enter the work force and is committed to providing assistance to those with obligations to seek work and will provide additional employment focused services to help jobless parents find work.

Extra Employment Services

A new employment preparation service will be available through Job Network to assist parents with school-age children to find work and overcome barriers to employment by equipping them with skills to re-enter the work force.

The government will also provide additional employment related services to parents with special needs. Parents who have significant non-vocational barriers, such as substance abuse or homelessness, to overcome before looking for work will be referred to the personal support program.

Parents with a part-time requirement who are not working may be required to undertake an annual mutual obligation activity, including part-time Work for the Dole.

People with a disability—capacity to work

The government is committed to maintaining a sustainable and adequate safety net

for people with disabilities who are unable to work. At the same time, the government believes long-term dependence on the disability support pension is not the best option for people who have the ability to work reasonable hours, without ongoing support, in the open labour market.

Australian government spending on the disability support pension alone will exceed \$8 billion in 2004-05. In 1980, 2.3 per cent of working age people were claiming the disability support pension. By June 2005 this proportion had more than doubled to over five per cent or 705,000 people.

Only around 10 per cent of DSP recipients are in the paid work force in Australia while the average among OECD countries is around 30 per cent. The changes to income support arrangements and the increased funding for employment services and the Workplace Modifications Scheme are designed to encourage and assist people with disabilities to test their capacity to work.

From 1 July 2006 the focus will shift to the capacity people have to work—not their incapacity or their inability to work. If people with a disability have the capacity to work between 15 and up to 30 hours per week, without ongoing support in the open labour market, then they will not be eligible to claim the disability support pension. They will need to apply for another payment, typically Newstart or youth allowance (other), and will be required to look for work. A person's work capacity will be assessed by the new Comprehensive Work Capacity Assessment service. People who were receiving the disability support pension on 10 May 2005 will not be affected by these changes.

Access to other benefits and support

People with disabilities will have access to the full range of vocational and prevocational programs to help them with job preparation and job search activities. Places in

vocational rehabilitation and employment services will be guaranteed for Newstart and youth allowance (other) recipients with disabilities who have part-time work capacity.

These people will also get the pensioner concession card, pharmaceutical allowance, the telephone allowance and other concessions available to card holders. Job seekers with a disability and a part-time requirement will also be eligible for a \$312 employment entry payment.

Mobility allowance will be increased to \$100 per fortnight for people on Newstart allowance or youth allowance (other) with an assessed work capacity of at least 15 hours per week and for those people on the disability support pension being assisted by an employment services provider. If these people increase their hours of work and move off income support and continue to work, they will retain eligibility for this mobility allowance.

People with disabilities and a part-time requirement who are not working may also be required to undertake an annual mutual obligation activity, including part-time Work for the Dole.

Mature age job seekers

Although the participation rate in the labour market has been rising steadily among mature age Australians, too many mature age people often experience difficulties finding work.

Newstart recipients aged 50 to 64 will be required to seek full-time work—the same requirements applying to younger job seekers. People aged 60 or over will not be required to participate in Work for the Dole, nor will people aged 50 or over unless they are not genuine in their effort to find work. However, job seekers aged 55 or over will be able to fully meet their activity requirements through part-time work and/or voluntary work totalling at least 15 hours a week.

Mature age job seekers will be supported by increased employment assistance. They will also benefit from the new Employment Preparation Service, which will be able to assist mature age people to update their skills and prepare them for the modern labour market.

Getting the very-long-term unemployed back into work

The Welfare to Work measures will also increase the assistance currently provided under the Job Network active participation model to very-long-term unemployment benefit recipients.

The new Wage Assist measure will provide additional incentives to employers to take on very-long-term unemployed job seekers in full-time, ongoing employment.

To help develop the work habits needed to enter the labour market job seekers who are not genuine in their efforts to find work may be required to participate in full-time Work for the Dole for 25 hours per week.

Very-long-term unemployed job seekers with major employment barriers can also be referred to a Comprehensive Work Capacity Assessment to identify if another payment, such as the disability support pension, or a specialist program, such as vocational rehabilitation or disability open employment services, is appropriate.

More generous taper rates for Newstart allowance

Many people moving from welfare to work, or increasing their earnings, will benefit from the enhanced allowance income test to be introduced under this bill.

Under the current Newstart personal income test, there is no payment reduction for the first \$62 of income per fortnight, while payment is reduced by 50c in the dollar for income between \$62 and \$142 per fortnight, and 70c in the dollar thereafter.

The new income test is more generous. The \$62 per fortnight free area is unchanged, but the income range over which the 50c in the dollar reduction applies will be increased from \$142 to \$250 per fortnight, with payment being reduced by 60c in the dollar thereafter. The rate at which someone's income affects their partner's allowance has also been reduced from 70c in the dollar to 60c in the dollar. These changes will improve rewards from part-time work and help people move from welfare to work.

Youth allowance—other than for full-time students or new apprentices—widow allowance, partner allowance, mature age allowance and sickness allowance will also be changed in line with the changes for Newstart allowance.

A fair but firm compliance regime

This bill abolishes the current breaching regime, under which job seekers can incur long-lasting financial penalties regardless of any subsequent efforts to meet their requirements.

The new compliance framework included in this bill will more clearly link participation to payment and will reward those who are willing to re-engage quickly. A job seeker without a record of repeated noncompliance who commits a participation failure, such as missing an interview with an employment service provider, will be given the opportunity to avoid any financial penalty by quickly re-engaging with that provider.

Job seekers who persist with their non-compliance, despite being repeatedly warned, will lose their payments. As a deterrent to repeated participation failures or more serious failures, such as refusing a job offer, an eight-week non-payment period will apply. This bill also introduces a more equitable means of deterring income support recipients from deliberately failing to declare or underdeclaring their earnings, in the form

of a recovery fee set at 10 per cent of the debt incurred.

There will be special arrangements for vulnerable people, such as dependent children, under the new compliance framework, including case management and limited financial assistance where vulnerable people and third parties may be unduly affected by non-payment periods. Vulnerable clients, such as people with intellectual disabilities, will also be clearly flagged so that their circumstances are taken into account in cases of noncompliance.

Current legislative safeguards relating to the imposition of penalties, such as the need for requirements to be reasonable and the need to consider a job seeker's reasons for noncompliance, will continue to apply for both vulnerable and non-vulnerable job seekers. In addition, the current review and appeals system will be retained. This allows any job seeker to ask Centrelink to review any adverse decision and, if not satisfied with the outcome of that review, to appeal the matter to an external tribunal.

Work First approach

RapidConnect is a 'work first' approach designed to provide assistance to job seekers as soon as possible. Connecting job seekers to their Job Network member quickly should reduce frictional unemployment and improve job seekers' chances of finding a job.

Under RapidConnect, a job seeker who contacts Centrelink to inquire about Newstart or youth allowance will be referred directly to Job Network. Job seekers who do not connect with their Job Network member may experience an impact on their income support. This 'work first' approach is at the cornerstone of the government's Welfare to Work measures.

Conclusion

The government firmly believes that the best form of welfare is a job. As Tony Blair, the current Prime Minister of the United Kingdom, has said, 'Fairness starts with the chance of a job.'

I note that there has been little support from the opposition for the government's reforms. They refuse to acknowledge that people on welfare have the same aspirations as other Australians.

The opposition will claim that they support the notion that it is important to assist unemployed people into work; however, they do not support the movement of people from pensions to unemployment benefits which contain mutual obligation requirements.

The challenge of implementing welfare reform is to get the right balance between obligations and support. This must be accompanied by appropriate incentives and support mechanisms to ensure that job seekers continue to be provided with services. The government believes that these reforms strike this balance.

The majority of Australians would agree that it is not unreasonable to expect those people who are available and capable of work to participate in the work force. The economic and social arguments for such reform are both compelling and necessary.

With this legislation, we face important choices: the choice between accepting growing numbers of people on welfare or doing something to help them to get a job; the choice between recognising people's abilities and capacities or continuing to focus on their disabilities and incapacities; the choice between tackling unemployment or accepting joblessness as the cost of modern society; and the choice between the dignity and value that comes from participation in the work force or the despair and poverty that results from long-term welfare.

The government has made its choice, and that choice is to pursue the necessary reforms responsibly, mindful that these measures are directed at securing the future prosperity of Australia, and providing the opportunity for all Australians to participate in that prosperity.

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

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

FAMILY AND COMMUNITY SERVICES LEGISLATION AMENDMENT (WELFARE TO WORK) BILL 2005

First Reading

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

Second Reading

Mr DUTTON (Dickson—Minister for Workforce Participation) (9.30 am)—I move:

That this bill be now read a second time.

This bill amends the Family Assistance Act and the Family Assistance Administration Act as part of the government's Welfare to Work package of measures to support more Australians to move from welfare to work.

The bill contains two child-care related measures.

The number of hours of child-care benefit a family will be eligible to receive in a week for each child in approved child care, without meeting the work/training/study test, will be increased by four hours, from 20 to 24 hours a week. This measure is included in schedule 1.

Increasing the threshold limit of hours for which a family can receive child-care benefit will assist parents in maintaining ongoing lower levels of work force participation and help their transition to a greater level of participation once their children are older. It

also recognises that child-care requirements often exceed actual working hours.

Schedule 2 gives effect to the second measure, which modifies the work/training/study test applicable to those who wish to claim child-care benefit for up to 50 hours care in a week. To be eligible for up to 50 hours of child-care benefit for a week for each child in approved child care, claimants and their partners who have work or work related commitments, or training or study commitments, will be required to demonstrate that they have engaged in these activities for at least 15 hours in that week or for at least 30 hours in a fortnight that includes that week.

This measure ensures that the greatest support is directed to those families with higher levels of work related participation.

Both measures contained in this bill will apply from 3 July 2006 and demonstrate the government's commitment to supporting the child-care needs of parents in work, training and study.

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

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

AUSTRALIAN CITIZENSHIP BILL 2005

First Reading

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

Second Reading

Mr JOHN COBB (Parkes—Minister for Citizenship and Multicultural Affairs) (9.32 am)—I move:

That this bill be now read a second time.

Today, I have the honour to present two bills which embody very significant, indeed historic, changes to our citizenship law. These two bills replace the Australian Citizenship

Act 1948 with the Australian Citizenship Act 2005.

On 26 January 1949, this great nation of ours became, for the first time, a nation of Australian citizens. That day marked the commencement of the Nationality and Citizenship Act 1948 and the creation of the concept and reality of Australian citizenship.

Australia today is vastly different from what it was when the Nationality and Citizenship Bill 1948 was introduced to the parliament.

In 1948 the population of Australia was around 7.8 million. For the hundreds of thousands of post-World War II European migrants making their way to a new future, the journey to Australia took many weeks. Travel was expensive and many migrants were unable to return to their country of birth for years, and some not at all.

What a contrast with today: a population of over 20 million, travel to Australia from Europe taking less than 24 hours and the cost of overseas travel within the reach of most people.

Yet, regrettably, some things have not changed. Just as there were following World War II, there are still people in parts of the world who have been displaced as a result of war and tyranny. And, just as we did following the war, Australia does its bit and responds to these humanitarian crises, working closely with the United Nations High Commissioner for Refugees.

We have had very successful migration and humanitarian programs over the years. People from over 200 countries have made their home in Australia, a country where opportunities abound and where, for many people, it is the first time in their lives that they have enjoyed liberty and freedom from persecution.

Our citizenship law and policy have been at the heart of the success of these programs, and our law and policy have changed over time to reflect changes in Australian society and our interaction with the rest of the world.

Citizenship is readily available to those who make their home here and who are prepared to commit to our common future. More than 3.5 million people have chosen to become fully participating members of our community. As Australia has matured, the inclusive and non-discriminatory approach which has developed has seen citizenship become a powerful force in the creation of a united and cohesive society.

It is not compulsory to become a citizen. However, the act of becoming a citizen is a formal commitment to our country and the values that uniquely define us as Australians. Most of those who come under the humanitarian program apply to become full participants of our society as soon as they become eligible. They eagerly grasp the opportunity to feel the sense of belonging, to make the commitment, to become one of us.

The principles underlying the legislation remain unchanged, as does the preamble, although there is a minor change to reflect new terminology. The government believes that the overall inclusive and non-discriminatory approach to Australian citizenship should continue as the basis for our citizenship law and policy. This approach means that we welcome, without undue barriers, migrants and humanitarian entrants who come to Australia and who decide that they wish to become fully participating members of our society.

The draft legislation retains the discretion for the minister to refuse to approve a person's application despite the person meeting the specified criteria. The current discretion is contained in the phrase 'the minister may'. Retaining the discretion reflects the fact that

Australian citizenship is a privilege and not a right.

The new act will deliver better structured, clearer, more accessible law, drafted in the language of the 21st century.

Division 1 deals with the circumstances by which citizenship is automatically acquired, division 2 deals with the acquisition of citizenship by application, division 3 deals with the cessation of citizenship, division 4 deals with evidence, and division 5 introduces a framework for the collection, use and storage of personal identifiers.

The personal identifiers framework is an important addition to the law and will increase the government's ability to accurately identify people who are seeking to become citizens and those requiring evidence of their citizenship.

Another significant measure aimed at safeguarding Australia's security is the introduction of a prohibition on approval of an application made by a person who is assessed by ASIO to be a direct or indirect risk to our security. This provision applies to all applications—whether they are for citizenship by descent, by conferral or by resumption.

We do not propose extensive changes to the eligibility criteria for the conferral of Australian citizenship. There is no change to the current provisions which require a basic knowledge of the English language, an adequate knowledge of the responsibilities and privileges of citizenship, that the applicant is likely to reside in or maintain a close relationship with Australia, and, most importantly, be of good character.

However, as announced in July 2004, spouses of Australian citizens will need to meet the same requirements as other applicants. And, as announced by the Prime Minister on 8 September, the residential qualifying period of not less than two years in Aus-

tralia in the previous five years is being extended to three years. There will be no change to the requirement to have spent one year in Australia in the two years immediately prior to making the application.

The increase in the residential qualifying period will allow more time for new arrivals to become familiar with the Australian way of life and the values to which they will need to commit as citizens. It will also strengthen the integrity of the citizenship process by giving more time for the identification of people who may represent a risk to Australia's security.

The residence exemptions are being strengthened and made more equitable.

One of the existing provisions allows for the possibility that a person could spend just one day in Australia as a permanent resident and then be eligible for citizenship two years later, provided they can demonstrate that their time spent overseas was of some benefit to Australia.

On the other hand, a person who has been here on temporary visas for several years before being granted permanent residence cannot have that time recognised unless they would suffer significant hardship or disadvantage if not conferred citizenship. During those periods prior to the grant of permanent residence, people live and work in our community and develop a close connection with Australia and understanding of our way of life. It would be unreasonable not to be able to count some of that time for the purposes of the citizenship residential qualifying period.

In the future, up to two years spent outside Australia as a permanent resident or in Australia as a temporary resident may be treated as time spent in Australia as a permanent resident, provided the person has been involved in activities beneficial to Australia. These applicants will therefore need to have

spent a minimum of 12 months in Australia as a permanent resident.

There will be only two circumstances in which a person will be exempt from the requirement to spend at least 12 months as a permanent resident.

The first circumstance involves the spouse of an Australian citizen. Some spouses have very close family and other connections with Australia but find it difficult to accumulate the necessary time as a permanent resident in Australia because they accompany their Australian family overseas—for example, in association with their spouse's employment. The definition of 'spouse' for the purpose of this provision will include a de facto spouse.

The second situation already exists in the legislation and allows for periods of lawful temporary stay in Australia to be treated as permanent residence where a person would suffer significant hardship or disadvantage if not allowed to become a citizen.

There is an important change to the provisions for children. This relates to the consequences when a child's Australian citizen parent or parents renounce their citizenship. The current act provides that children in these cases automatically cease to be citizens, unless they do not have the citizenship of another country. This is being replaced with a discretionary power so that the circumstances of each case can be considered and a decision made whether or not it is appropriate for the child's citizenship to cease. The provision will be consistent with those applicable when a parent or parents are deprived of their citizenship, and will ensure the act is compliant with relevant international obligations.

Registration of citizenship by descent is another area in which important change is proposed. This change is the removal of the age limit.

The policy principle inherent in the legislation is that a person must have had a parent who was an Australian citizen at the time of their birth. This is made very clear in the new subdivision on citizenship by descent, with the statement:

... a person does not become an Australian citizen under this Subdivision unless ... a parent of the person was an Australian citizen at the time of the person's birth ...

While the act has always provided for the registration of children as citizens by descent, the period in which a child had to be registered has changed. Initially children had to be registered within one year of birth, or such further period as the minister allowed. In 1970 it changed to five years or such further period as allowed, in 1984 the time limit was within 18 years of the birth and in 2002 this was changed to 25 years. Unfortunately, not all Australians overseas were aware of these time limits, and some simply did not get around to completing the paperwork. The result was that their children were not registered and could not access their Australian heritage. Many people in this circumstance have identified themselves as Australians but have been unable to obtain legal recognition of this status. The changes in the age limit over the years have attempted to address this issue. However, the changes did not provide any relief for those who were already older than the new age limits. The removal of the age limit will allow these people to get that formal recognition.

There are two other circumstances in which we have provided for people to access their Australian heritage.

The first covers the adult children of Australians who lost their citizenship under section 17 of the act which was repealed in 2002. Section 17 provided that adult Australians who did 'any act or thing—the sole or dominant purpose of which; and the effect of

which; is to acquire the nationality or citizenship of a foreign country, shall, upon that acquisition, cease to be an Australian citizen'. The provision worked by operation of law and took effect as soon as an Australian acquired the new citizenship. No application was necessary and no decision was involved.

Not surprisingly, many Australians—both in Australia and overseas—did not know about this provision. They took advantage of opportunities to become a citizen of the United Kingdom or the United States, for example, to make travel and/or work overseas easier. Many also continued to identify themselves as Australians and even travel on their Australian passports, completely unaware that they were no longer entitled to its protection. The government was also unaware of the change in their status—until, that is, the person tried to renew their Australian passport or register a child as an Australian citizen.

Children born after their Australian parent or parents lost their citizenship are not eligible for registration of citizenship by descent. They do not meet the essential requirement of an Australian citizen parent at the time of their birth. Provision has been made for these people to apply for citizenship by conferral. In recognition of their particular circumstances, they will not be required to make the pledge.

The second involves a small group of people born in Papua, before Papua New Guinea Independence Day in September 1975, who have a parent born in Australia as we know it now. The Australian citizenship legislation drafted to complement the creation of an independent Papua New Guinea did not make allowances for people such as Susan Walsh, whose mother was Papuan and whose father was born in New South Wales. Registration as a citizen by descent is not possible in Ms Walsh's case because those

provisions require that the person is born outside Australia. Papua, prior to PNG independence, was a part of Australia for the purposes of Australian citizenship law. While only a handful of people will benefit from this change, it upholds an important principle.

No provision has been made for children born to a former Australian citizen after that parent renounced their citizenship. Unlike those who lost their citizenship under section 17, people who renounced their citizenship were well aware that they had ceased to be Australian citizens. They could have had no reasonable expectation of access to Australian citizenship for any children born after renunciation.

However, the removal of the age limit for resumption by those who renounced Australian citizenship was announced in July 2004, and it was welcomed by those affected. In most cases of renunciation, people act to retain another citizenship to avoid hardship or economic disadvantage while living in the country of their other nationality. Although many countries now allow dual citizenship, this was not always so. There are also a small number of people who renounce in order to acquire another citizenship so that, for example, they can pursue career objectives overseas which are limited to nationals of certain countries.

Resumption provisions for people who renounced their citizenship to retain another were first introduced in 2002, when we changed the law to allow dual citizenship. An age limit of 25 years was imposed at the recommendation of the Australian Citizenship Council.

A review of the resumption provisions has taken account of the fact that:

- many of those who renounced their citizenship to retain another were already over the age of 25 years in 2002;

- the resumption provisions for people who had lost their citizenship, when acquiring another, had no age limit at all; and
- there are no existing provisions for people who renounce to acquire another citizenship.

It is the government's view that the principles underlying the resumption provisions should apply regardless of whether renunciation was for the purpose of retention or acquisition of another citizenship. In future, the only requirements for resumption will be that the person is of good character and, as indicated earlier, is not a security risk.

Changes to the deprivation powers include:

- the introduction of provisions to revoke citizenship acquired as a result of third party fraud; and
- strengthening of the revocation provisions relating to serious criminal offences.

Australian citizenship is of course a very valuable status. While the incidence of fraud in the case load is low, the risk of fraud is a constant. The existing provisions deal with fraud committed by an applicant. Unfortunately, there is currently no power to revoke citizenship where that status was acquired as a result of fraud by a third party—for example, a government official or migration agent. The changes will mean that consideration can be given to revoke citizenship in all cases involving fraud.

Existing law provides for revocation when a dual citizen has been convicted, after applying for citizenship, of a serious criminal offence committed before their application was approved. The extension of this provision to include serious criminal offences committed between approval of an application and when the person actually becomes a

citizen reflects the existing power to cancel the approval of an application if the person is no longer of good character.

Strengthened proof of identity arrangements is essential to protect the integrity of Australia's citizenship processes. The new act explicitly provides that the minister must be satisfied of the applicant's identity before an application can be approved.

Personal identifiers, namely photographs and signatures, are already collected, stored and used. The new personal identifier division provides a legislative framework for the management of those identifiers and within which we can respond to future decisions, and technology developments, in relation to proof of identity.

It is important to note that personal identifiers collected and stored under the new act will only be able to be used for the purposes of the Citizenship Act.

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

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

**AUSTRALIAN CITIZENSHIP
(TRANSITIONALS AND
CONSEQUENTIALS) BILL 2005**

First Reading

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

Second Reading

Mr JOHN COBB (Parkes—Minister for Citizenship and Multicultural Affairs) (9.52 am)—I move:

That this bill be now read a second time.

The Australian Citizenship (Transitionals and Consequential) Bill 2005 provides for the transitional changes and consequential changes to other legislation which are necessary following the repeal of the old act. The amendments proposed by this bill give effect

to the transitional and consequential amendments which are necessary as a result of the amendments proposed by the principal bill.

I am confident that these bills achieve an appropriate balance between the inclusiveness of our citizenship legislation and the challenges of the world in which we live—a world where globalisation means no boundaries, a world where some seek to destroy our way of life and our values. There has never been a better time to be or become an Australian citizen. Today, more than ever, the value of Australian citizenship cannot be underestimated.

I would like to acknowledge the work of my predecessors in the development of this legislation. The Hon. Gary Hardgrave MP undertook the early groundwork for many of the policy changes reflected in the bills. The Hon. Peter McGauran MP continued that work and was instrumental in obtaining the necessary priority to ensure drafting of the bills.

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

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

**WORKPLACE RELATIONS
AMENDMENT (WORK CHOICES)
BILL 2005**

Second Reading

Debate resumed from 8 November, on motion by **Mr Andrews**:

That this bill be now read a second time.

upon which **Mr Stephen Smith** moved by way of amendment:

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

"the House declines to give the bill a second reading, because the House condemns the Government:

(a) for failing to allow the House of Representatives and the Australian people proper scru-

- tiny of the bill prior to the debate in the House;
- (b) for spending over \$55 million dollars of taxpayers' money advertising Liberal Party policy proposals before the *Work Choices* legislation has entered the Parliament;
 - (c) for misleading the Australian people in those advertisements by making unsubstantiated assertions about the benefits of these changes and misrepresenting the extent to which employees will lose their rights under the *Work Choices* legislation;
 - (d) for creating an industrial relations system that is extreme, unfair and divisive;
 - (e) for failing to put working families first in developing its plans to dramatically change Australia's industrial relations laws;
 - (f) specifically, for failing to commission and publish a Family Impact Statement as promised during the election for all family related legislation;
 - (g) for failing to provide a guarantee that no individual Australian employee will be worse off under the extreme industrial relations changes;
 - (h) for attacking the living standards of Australian employees and their families by removing the 'no disadvantage test' from collective and individual agreements;
 - (i) by allowing employees to be forced onto unfair Australian Workplace Agreements as a condition of employment;
 - (j) for abolishing annual wage increases made by the Australian Industrial Relations Commission for workers under Awards with the objective of reducing the Minimum Wage in real terms, and by removing the requirement that fairness be taken into account in the calculation of the Minimum Wage;
 - (k) for delaying the next National Wage Case by a period of six months, so that at least 1.7 million workers under Awards will not receive a wage increase for a period of 18 months or longer;
 - (l) for undermining family life by proposing to give employers the power to change employees' work hours without reasonable notice;
 - (m) for destroying rights achieved through the hard work of generations of Australian workers;
 - (n) for undermining the principles of fairness that underpinned the Australian industrial relations system for the past hundred years;
 - (o) for gutting the Australian Industrial Relations Commission and eliminating the role of an independent umpire to ensure fair wages and conditions and resolve disputes;
 - (p) for developing proposals that will deliberately distort the workplace bargaining relationship in favour of employers and against employees;
 - (q) for denying Australian employees the capacity to bargain collectively with their employer for decent wages and conditions;
 - (r) for denying individuals the right to reject individual contracts which cut pay and conditions and undermine collective bargaining and union representation;
 - (s) for allowing individual contracts to undermine the rights of Australian workers under collective agreements and Awards, for instance by eliminating penalty rates, shift loadings, overtime and holiday pay and other Award conditions;
 - (t) for removing from almost 4 million employees any protection from unfair dismissal;
 - (u) for refusing to consult with State Governments in developing a unitary industrial relations system resulting in an inadequate and incomplete national system;
 - (v) for launching an unprovoked attack on responsible trade unions and asserting that those unions have no role in the economic and social future of Australia;
 - (w) for proposing to jail union representatives or fine them up to \$33,000 if they negotiate to include health and safety, training and other clauses in agreements;
 - (x) for ignoring the concerns of the Australian community and Churches about the adverse impact these changes will have on Australian employees and their families;

- (y) for failing to guarantee that wages will be sustained or increased in real terms under these changes; and
- (z) for seeking to justify these measures by asserting that slashing wages will somehow make Australia more competitive, more productive, and increase employment”.

Mr SCHULTZ (Hume) (9.55 am)—In continuing my contribution to this debate on the Workplace Relations Amendment (Work Choices) Bill 2005, I make the observation that many of the comments from the opposition are premised on the absurd, archaic notion that Australians are incapable of thinking for themselves and that they are simply going to comply with the arrogant assumption that the ACTU knows what is best for them. I find that remarkable, given that in 1976 the union membership of this country was 51 per cent of the work force but today it is down to 22 per cent, of which only 17.4 per cent of the private sector are members.

The ACTU’s strategy in response to losing its Senate majority is related to the position that it is in now. Its response has not been to reinvent itself and make itself more appealing to workers; instead it has been to fill the workers with fear and loathing in the hope that they will vote Labor at the next election so that the Labor Party can implement the ACTU’s roll-back policies and return it to its privileged position. The ACTU’s campaign has nothing to do with protecting workers; otherwise it would provide them with accurate information instead of trying to make them feel insecure. It is all about electing a Labor government so the unions can once again return to their complacent position of legislated protection and will not have to adapt to the modern world.

On the *Sunday* program on 29 May 2005 this was illustrated by Greg Combet. He confirmed that this was a purely political campaign in the week he launched the ACTU’s campaign when he commented that ‘we need

a change of government’. Even union leaders concede that the movement has lost relevance and is not focused on the interest of workers. John Robertson, the Secretary of Unions New South Wales, in a reported article in the *Daily Telegraph* on 30 April 2005 that was headed ‘The unions disunited: Leader attacks members’ said this:

We need to be honest with ourselves ... These laws—

he means IR reform—

are not the biggest threat to the future of the labour movement. We are.

Many of our unions are in a sad state—some have given up recruiting on the basis it will upset internal power balances.

Our political wing (the ALP) is in even worse shape—control of local branches is now being fought out by operatives on the public payroll.

The union movement has no interest in helping small businesses. Its campaign against workplace relations reform has been predicated on the idea that no employee can trust their employer and that all employers are heartless animals, who cannot wait for the chance to exploit or sack their work force. Yet union leaders, deep down, know that their scare campaign based on evil bosses is not realistic and does not portray the reality in small business workplaces. There is no better way to illustrate that than to quote the comments made on *Lateline* on 8 August of this year by the ACTU President Sharan Burrow. She said:

I think you’d be surprised about how flexible small business can be and if they know there’s a way of keeping a very skilled employee attached to their enterprise ... They tell us they’re worried about losing skilled workers, particularly at a time of increasingly full employment.

So the question needs to be asked: why is she running an \$8 million campaign saying that small business employers will run amok, unfairly sacking their staff under the new system? The President of the ACTU herself

has confirmed that she is running a misleading scare campaign.

Despite that scare campaign, the employment rate in this country is the highest it has been for three decades. In the Hume electorate the decrease in the unemployment level, whilst not as impressive as the results in some other electorates, where unemployment has dropped even more sharply—including in the seats of many of the ALP members who are here today opposing these important reforms—has been significant in recent years. That has been on the back of the strong economic leadership and decision making of the Howard government. In Hume today unemployment is estimated at just 4.1 per cent, down from 5.9 per cent during the last year of the previous Labor government. Rural people have suffered years of drought and hardship, but the constituents in Hume are still finding employment at a higher rate today than even 12 months ago—a testament to the solid foundations built by this Howard-led government.

There has been a large amount of negative press about these reforms in the electorate of Hume, as there has been elsewhere. I understand that voters are wary, especially when they have the ALP and union doom and gloomsters preaching the evils of this legislation at every opportunity. They did the same thing in 1996, when the Howard government's workplace reforms began. Since then this government has created more than 1.7 million jobs, seen an increase in real wages of 14.9 per cent, delivered the lowest unemployment rates in three decades and reduced the chaos caused by industrial disputes to its lowest level since records were first kept more than 90 years ago. Despite this success, the ALP doom and gloomsters are doing it again.

I would now like to refer to a matter related to a union instigated meeting in Goul-

burn in my electorate, where I made the decision not to compromise my commitments to my constituents and enter public debate with the unions over these reforms. That has been criticised in the local press in my electorate. However, I feel strongly, as I have always in the 18 years that I have been a member of parliament, about my long-term commitments. In any case, no amount of fact telling or reassuring will convince those tied up in the union movement that these changes are good, that they are a step forward and that they will one day be noted as a turning point in our history.

These freely available facts have been accessible and offered by me to those interested in having an open mind and sharing the government's vision of this way forward. The facts are that under this bill terms and conditions will not be abolished. Employees will be able to keep their conditions until they agree to new arrangements with their employer. There is no obligation to enter into a new agreement under the new system. Conditions which exist in awards can also exist in agreements, which will now be able to run for up to five years, rather than the current maximum of three. This is not a new issue; it has been around for some time. It is practised in the public sector when public sector employees offer to forgo some of their conditions in the interests of accommodating some of the financial pressures on themselves or their families.

The minimum standards will be universal and protected by law for the first time at a federal level. This will include minimum and award classification wages as set by the Fair Pay Commission, four weeks paid annual leave with an additional week for shift workers—with the option for employees to cash out up to two weeks leave, but only at their own request—52 weeks unpaid parental leave, 10 days paid personal carers leave, including sick leave, for employees with

more than 12 months service, plus two days of paid compassionate leave, plus an additional two days of unpaid carers leave per occasion, which will be available in emergency situations. There will be a maximum 38-hour working week.

Where conditions in an award or an agreement are more generous, those conditions will apply. Award conditions will be protected. Although they will not form part of the Australian fair pay and conditions standard, other conditions will be protected, including public holidays, rest breaks, meal breaks, incentive based payments and bonuses, annual leave loadings, allowances, penalty rates and shift and overtime loadings. Things such as superannuation, notice of termination and arrangements for jury service and long service leave will also remain protected under the existing legislation.

Despite the trade unions' claims, I am delighted to shed light on the fact that employees cannot be forced onto new workplace agreements under this new system. Under Work Choices it will continue to be unlawful for employers to force employees into new agreements. If a worker does not like what is on offer, they can opt to stay on their current arrangements. It is as simple as that. Help will be provided to employees who require it in dealing with workplace disputes. Australian workers need not fear these reforms. To further protect workers' rights, a strong inspection service will exist under the new arrangements to assist workers who believe they are not being paid their appropriate entitlements. That is more protection, not less, than under the current arrangements.

Finally, protections against unlawful termination on the basis of family responsibilities, union membership or all types of discrimination will continue to apply for all employees. The onus will be on employers to prove that the determination was not for a

prohibited reason. Australian workers will not be worse off as a result of these reforms, despite the scaremongering that is out there in the community, driven by the ACTU and the ALP. They will be better off—of that I am confident, and I will stake my political reputation on it. Those people in Hume who have taken the time to acquaint themselves with the facts believe so too. I will give the House some illustrations. When asked the question, 'Would you rather negotiate an employment agreement or have a union do it on your behalf?' ordinary Australians in the electorate of Hume agreed that they would prefer to negotiate directly with their bosses. 'I would probably negotiate', said one woman. 'In a small business you've got a relationship with your boss', said another. 'I don't know, really, but I suppose I would choose to do it myself,' a young woman just starting out in the work force said. Even at the other end of the scale, a man with plenty of working years under his belt, whom I would describe as a mature individual, said the same. 'I would do it myself,' he said. So four out of five when answering an unsolicited question said they could see the benefits of fostering an open, flexible relationship between employers and employees. That might only be a small sample, but I believe it is an accurate one.

I will quote from a letter I received from the President of the Southern Highlands Business Chamber Inc., Mr Terry Oakes-Ash, in reply to a letter I sent to him relating to the Workplace Relations Amendment (Work Choices) Bill. He said:

Regarding the increased emphasis on direct bargaining between employer and employees, we fully support these changes.

And here are the pertinent points:

Employers will be forced to bargain wisely and fairly, otherwise they will not retain the workforce that they need to run their businesses.

That is a very pertinent point. He continued:

Employees will be able to negotiate how they want their wages and conditions packaged, a plus for them.

Regarding the unfair dismissal laws as they relate employers with less than 100 employees, we believe that this will enable employers to be more selective of the applicants required to run their business and even more prepared to employ additional people, knowing that if they do not suit the job, then they can be replaced without being taken to court. Employees will adopt more professional approach in their job application, which should lead to great harmony of employer/employee relations.

I think that says it all, and it is one of the reasons why the unemployment level has dropped to its lowest point in 30 years, as I said previously.

In closing, I would like to issue a challenge. I challenge those people in the Hume electorate who may have been brainwashed and stifled by their union, by their friends or by their families about these reforms to educate themselves fully and then make a decision about how these reforms will affect them. I am only too happy to talk to those people who are willing to listen, and my office has some very good material—as do all members' offices—which I am sure many people will be surprised to read. I make the point that I made before: at the next opportunity when I go to the polls, I will live with the decision that I and my parliamentary colleagues on this side of the House have made in supporting this historic piece of legislation. (*Time expired*)

Ms KING (Ballarat) (10.09 am)—This industrial relations legislation before the House today, the Workplace Relations Amendment (Work Choices) Bill 2005, is the most extreme attack on working families we have seen in this country. The Work Choices bill—or, as it is now being referred to, the 'What Choices?' bill—is not about strength-

ening the economy. It is not about productivity or employment. It is purely about ideology, an article of Liberal Party faith—unfinished business for a tired Prime Minister who clearly, judging by the Treasurer's Mr Happy Face demeanour, has done a deal for his retirement and is looking to his swan song, the final jewel in his prime ministerial crown: the crushing of 100 years of fair industrial relations. This is not reform; this is one little man's obsession.

These laws undermine pay and conditions and they undermine family life. They have all been brought to you courtesy of a \$55 million taxpayer funded propaganda campaign that has not been about providing information. Rather, it has been about spreading disinformation. The government, unwilling to tell the truth about these laws and trying to avoid public scrutiny, has gone to its favourite fallback position: 'Trust us; it's about the economy.' The government is, however, unable to make the case that the laws will create jobs, lift productivity or boost living standards. It is using these laws to distract from its own economic policy laziness.

The government in its nine long years in office has failed to tackle the real economic challenges facing this country. That is no more evident than in its abandonment of the manufacturing sector. It has squandered the economic reforms of the 1980s and coasted along on the coat-tails of Labor's decisions in government. This mob are not economic reformers; they have squandered our economic growth and have failed to tackle the real challenges facing this country. And this nasty, regressive legislation that reduces wages, removes working conditions and makes it easier for people to be sacked is the best they can come up with. This government's great idea for economic reform is to drive wages down so that we can compete

with India and China on the wages front. It is a race to the bottom.

In this debate, I want to look at some of the most worrying aspects of the legislation for working families and to raise some of the economic issues we should be focusing on. But first I want to tackle some of the lies the government have told about this legislation and their failure to be honest with the Australian public as to its impact on families.

It has now become second nature for this government to avoid scrutiny. It shows little regard for the processes of the parliament and, by doing so, little regard for the people who elected us to represent them. The government can spend sometimes up to a year debating and inquiring into issues. A current example is its decision to release a discussion paper on telemarketing rather than to bring on for debate the member for Chisholm's private member's bill, which actually provides a way forward on these issues. Yet it has introduced these 1,252 pages of legislation and explanation, with debate brought on in less than 24 hours. The government is now seeking to limit that debate, with a number of members on this side of the House likely to be denied the opportunity to make a contribution.

You have to ask: if the government are so proud of this legislation, why do they seek to limit debate? Regardless of what we on this side of the House do, the government have the numbers. Why not just let the debate run? What an act of contempt for the parliament to guillotine debate on these, the most profound changes to the rights of working families. It is the Telstra legislation all over again: rush it through parliament, take some early hits, but, once it is through, hope the media furore and the disquiet will just go away and disappear.

For people whose skills are in high demand, it will take time for the personal ef-

fects of this legislation to filter through. But, for the thousands of workers in precarious employment situations and in regional and rural areas where unemployment is higher than the national average and wages are already lower, it will take little time at all. Regional areas such as mine with highly concentrated economies are the first to feel the brunt of an economic downturn, and they will be the first to feel the harsh effects of this law.

This is why the \$55 million of taxpayers' money spent on spreading disinformation about these laws is so obscene. I can just see John Howard almost rubbing his hands with glee as he talks to the Liberal Party admen who have constructed these ads. It is Strengthening Medicare all over again: do not focus on what you are ripping away from people; focus on what they get to keep, and make it sound so safe and so protected that they will thank you for being so generous.

These ads are full of disinformation. It is what they do not tell you that is the real story. They do not tell you that fairness has been removed from the national wage case. They do not tell you that the legislation takes rights against unfair dismissal away from almost every worker in my electorate. They do not tell you that the legislation allows employers to dismiss workers, with no compensation, for 'operational reasons'. They do not tell you that, in destroying the no disadvantage test, the foundation against which enterprise agreements and AWAs are tested, your capacity to have a whole raft of conditions will now be gone.

The Liberal Party ads try to give the impression that these laws give stronger protection than what is there now, feeding off people's confusion about their current work rights, when nothing could be further from the truth. Under the award system, which the government has now said that it wants to

review—read ‘abolish’—there are currently 20 pay and conditions standards protected by law. Under this bill, there are just five. Taken away, or able to be bargained away, are rights like redundancy pay and penalty rates.

The ads also seek to confuse people by saying that employees’ rights against dismissal are protected by law. They are seeking to confuse people and to confound the difference between unfair dismissal and unlawful dismissal, two very different things. Your right to seek recompense if unfairly dismissed will go in 99 per cent of workplaces, and the grounds on which someone can be unlawfully dismissed will be narrowed. Even then, you will have to take your employer to court, with costs potentially being awarded against you, instead of to the cheaper, faster Industrial Relations Commission.

The arrogance of the Prime Minister in using millions of dollars of taxpayers’ money on ads that mislead them about the nature of these laws is frankly obscene. The government have only allowed a limited inquiry into this bill, and they have again reneged on their commitment to Family First by not undertaking a family impact statement.

These laws erode the living standards and security of working families. Coupled with the draconian cuts to welfare introduced into this place today, they undermine the capacity of the unemployed and low- and middle-income earners to get ahead. The government tries to argue that these laws make it more flexible for families to choose their hours and to balance work and family under individual contracts. This flexibility exists now, under the current system. What these laws do is provide greater flexibility for the employer to set conditions and remove a number of obligations on employers to work with employees to develop the best outcome for them and for the enterprise in which they work. As Professor Steven Frenkel of the

Australian School of Graduate Management says:

These proposed laws really lead towards the low road and there is nothing in the legislation that I have seen that has a vision of the workplace as a decent place to work.

The debate about this legislation is not about some minor technical changes or even about some academic arguments about labour market supply and demand. This debate is about the kind of country we want to live in. It is about the basic value of whether we believe parents should have the capacity to manage the difficult balance between work and family life. It is a debate about whether we will continue to be a fair and equal society, one that values families and our relationships more than anything and one that values a fair go, justice, tolerance, respect and the right, no matter whether you are the lowest paid cleaner or Kerry Packer, to make the most of your circumstances.

These laws finish the job that John Howard set out to do in 1996. Then, when he tried to introduce similar laws, the Senate stopped him. They moved some 200 successful amendments to the laws in 1996. The Australian people were protected by the Senate in that instance but they are protected no more. I have no doubt that these laws will get passed. I have no doubt that the minor murmurs of dissent coming from one Nationals senator will again be bought off. There is no protection from this government’s laws from the Senate.

These 1,252 pages represent some of the most extreme reforms Australian families and workers have ever seen. They are unfair, they are divisive and they bring no economic benefit. These pages are an assault not only on the living standards of ordinary working families but on our basic values, such as fairness. Nothing more clearly illustrates this than the removal of fairness as a matter that

the so-called Fair Pay Commission has to take into account when it makes wage decisions. Under the current system, the Industrial Relations Commission makes wage decisions based on fairness. That is explicitly stated in section 88B of the current law. But this legislation removes fairness as a factor in wage case decisions. The government was happy to pulp some half a million copies of its glossy *WorkChoices* propaganda pamphlet to insert the word 'fairness' on the cover but, when it comes to actually putting it into law, it is gone.

This legislation removes the power of the Industrial Relations Commission to set the minimum wage. It hands it over to a government-appointed board ironically—or perhaps cynically—called the Fair Pay Commission. This board will be appointed by a government that has consistently said that minimum wages are too high. The Prime Minister asks us to take him on his record on these matters, claiming that under his government real wages have risen. What he is not prepared to say is that real wages have risen in this country not because of the government but despite the government.

The Prime Minister has opposed every single increase to the minimum wage that has been handed down by the Industrial Relations Commission. Since 1997 the Prime Minister has recommended on every occasion an increase to the minimum wage below what the commission has agreed. Workers on the minimum wage would be \$50 a week or \$2,600 a year worse off if John Howard had had his way in setting minimum wages. Had the Prime Minister had his way since 1997, there would have been a real reduction in the minimum wage, not the increase granted by the Industrial Relations Commission.

The government has confirmed that the next national wage case to be determined by this so-called Fair Pay Commission will now

be delayed. This means that Australia's lowest paid workers will have to wait at least 18 months before any pay increase above their current \$484.40 a week is even considered.

In defence of this so-called Fair Pay Commission, the government tries to point out that the Low Pay Commission in the United Kingdom is similar and that we should not be too worried about this, disingenuously trying to make out that the commissions are somehow even remotely similar. They are not. In an article in the *Age* on Monday, Robyn May blew the whistle on this argument. She states:

Britain's LPC was created to recommend to government the level at which to set national minimum wages for adults and youth.

That is where the similarities end. She continues:

It is genuinely tripartite, with three trade union, three employer, and three academic representatives.

Trade union and employer groups were consulted on the appointments. She argues that the most critical difference between the Fair Pay Commission and the Low Pay Commission is one of context and political intent. She states:

The British LPC was established within a broad agenda of 'social partnership' and the reinstatement of a minimum wage was part of wider social and industrial relations policy changes that included broad poverty-fighting measures.

... ..

Rather than being an instrument to improve low pay, the commission, with its narrow economic and ideological focus, seems designed more as an instrument for lowering wages.

Exactly. The reality of John Howard's record on the minimum wage is that he thinks it should be lower. The Prime Minister has absolutely refused to give a guarantee that no worker will be worse off under this legislation. He will not give that guarantee because

he knows that he cannot. He says that he will not give a guarantee but that we should just judge him on his record. His record on the minimum wage is that, on every occasion, he has opposed the increase that has been granted by the Industrial Relations Commission. A reduction in the real value of the minimum wage is nothing but bad social and economic news for nearly 20 per cent of Australians in the work force and all the families they support.

The Howard government's public policy objective here is partly driven by the belief that, if the minimum wage is reduced, more jobs at the bottom end of the scale will be created. The government will not state it as clearly as that because there is no international or domestic evidence that makes this claim even the least bit credible. This 'trickle-down effect' economics was highlighted by the Prime Minister with regard to the choice of the fictional unemployed person Billy, who, if he wants a job, has to accept an individual contract that takes away penalty rates, leave entitlements and other benefits. The Prime Minister's response—dog whistling, as usual—when asked about this in parliament, smacked uncomfortably of 'beggars shouldn't be choosers'. That is exactly what the case is under these new industrial relations laws.

Research done in Australia by the Centre for Industrial Relations Research and Training suggests that, at best, it is an assertion only that lowering wages will create more jobs. Why is it that, over the past five years of annual minimum wage increases, unemployment has fallen? International comparisons show exactly the same trend. In the UK jobs growth has been at 4.4 per cent, despite an increase in the minimum wage. The reverse has occurred in the US, with the minimum wage falling by almost 12 per cent and with jobs growth at only 2.2 per cent. Robyn May, in the same *Age* article referred to pre-

viously, claims that, under the UK's Low Pay Commission:

What is emerging is strong evidence on the effects of minimum wage rises on employment. In short, the rising minimum wage has had no negative impact on employment. Indeed, the LPC says employment has grown in the sectors where the minimum wage has had most impact.

The government has also tried to assert that, by driving the minimum wage down, productivity will be boosted. Again, it simply cannot mount any plausible argument on this front. In fact, it is more correct to argue that companies that take solely the low-pay approach are more likely to become caught up in a low productivity cycle. The government would like us to aim for the labour prices of New Zealand. The radical reforms of New Zealand did exactly what the government wants to do here: they drove wages down—but they did not lift productivity.

Tim Colebatch, in an article in the *Age* yesterday, argues that, since 1990, the OECD estimates that productivity has grown only by half as much in New Zealand as it has here in Australia. He states:

Work Choices confers choice on employers. It give more workers nothing they do not have already, and slowly strips them of group bargaining power ... and it is a deception to tell people they will be better off with a law clearly designed to make them worse off.

It is wrong to argue that these laws will increase productivity, when there is clear evidence that they will not.

Other provisions in this bill are equally worrying. Under current law, all employees have access to unfair dismissal provisions. The government for some years has been trying to remove this for small businesses with up to 20 employees. The government gave no indication of this in the last election, but it has snuck into this legislation a provision that removes unfair dismissal rights for employees and businesses with up to 100

staff. For businesses with over 100 staff, it has also included a provision that it is not a ground for unfair dismissal if you are sacked for 'operational reasons'. Essentially, the Treasurer has got what he asked for when he said that he had an open mind on abolishing unfair dismissal laws altogether. According to the bill, 'operational reasons' are:

... reasons of an economic, technological, structural or similar nature relating to the employer's undertaking, establishment, service or business, or to a part of the employer's undertaking, establishment, service or business ...

This provision in section 170CE(5D) is so wide that virtually anything goes. An employer can terminate an employee for so-called 'operational reasons' and it will be justified. The only recourse people will have is if they believe they have grounds for unlawful dismissal. Unlawful dismissal cases can take up to 18 months and require expensive legal representation that can run up to thousands of dollars in the Federal or Supreme Court, depending on what law it is to be tested under.

There are problems with the existing unfair dismissal procedures. As the daughter of a small businessman who has now retired, I have much sympathy for the plight of small businesspeople and the stress they are under. But let us fix those procedures. Let us not remove the right of 99 per cent of the workplace to unfair dismissal laws. Let us work to remove vexatious claims from the system and be more sympathetic to the needs of small business. These provisions do not make businesses immune from legal actions or their associated costs. If that is the only recourse open to people, it is more likely and not less likely that, under these laws, they will take such action. The Work Choices bill also fundamentally attacks the no disadvantage test, but I do not have time in this debate to go into all of that.

The government has completely failed to make the case for these laws. It has failed on the economic front and it has certainly failed to support our manufacturing sector in this country. It has not addressed the skills crisis. It has not invested in research and development or in innovation and design; it has not looked at the issue of trying to develop industry plans.

In his contribution to the debate, Kim Beazley quoted Alfred Deakin. As Deakin is a former member for Ballarat, and someone whom we in Ballarat claim as our own, I would like to finish my contribution by quoting him. It was Deakin as Attorney-General who introduced the Conciliation and Arbitration Bill. He said:

We have trusted for centuries to the various tribunals erected for the administration of civil justice, and I hope that we shall begin from this day forth to trust to these courts for industrial justice.

This government is destroying 100 years of industrial relations history. (*Time expired*)

Mr WAKELIN (Grey) (10.30 am)—The history of workplace relations is as old as Australia. When I first came into this place—and before that—the exchanges between those of us in the export industry, the Labor Party and those who believe in the CPI economy were long and almost impossible to reconcile. Let us think about the issues of wide combs and live sheep, and the ports—the things that build Australia's economy. The great problem we had was trying to get many Australians to understand that you could only pay wages which the country could afford. That is one of the great virtues of the current government. We base our wages on productivity increases and our capacity to export competitively.

As a former shearer, I understand how hard it is to shear a sheep. I would like to record in *Hansard*, for the purpose of the debate in the House this morning, the story

of an acquaintance of mine—a political opponent from the AWU—now deceased, one Trevor Girdham from Port Pirie. We were having the normal exchanges, with me as a new politician, about my virtues or lack thereof. He was predominantly representing the Labor Party point of view. I put a challenge to him in the local paper that I would take him on in any shearing shed anywhere in this country any time. He responded with a little humour. He said that he would not do that, because he did not want to do too much damage to the sheep. That brings out the point that Labor has moved very far from its roots. The days of the 1930s are well behind us.

A fellow by the name of Clyde Cameron, a former Labor minister, tells a wonderful story in his autobiography about the first sheep he shored. He said he took so long that the sheep actually died on the floor. As smoko came and as the bell went after the last catch, he thought he would get the sheep outside into the let-out pen and prop it up with a stick so that the boss would have to count it out. That is the type of humour that I really enjoy from that era. The Labor Party has moved a long way from the basis of the union movement.

Next Tuesday there will be a rally outside my office in Whyalla, sponsored by the ACTU. Apparently, they have six complaints about unfair dismissal, alleged cuts to wages and conditions, changes to minimum wages, the abolition of the awards system, keeping unions out of workplaces and the restriction on the power of the Australian Industrial Relations Commission. These are well-travelled routes. Everybody knows the argument; it has been repeated here ad nauseam in recent days, and no doubt that will continue to be the case.

The thing that is totally missed in this debate is that it is about improving our standard

of living, giving everyone the opportunity to have a job and remembering that there are many more points of view than the one presented by the ACTU and the Labor Party. The basis of our society is the ability to run a business, to be able to export and to be able to create innovation in the workplace. The workplace is the best place for the relationship between the employer and the employee to be worked out. That is the basis of this legislation.

The word 'extreme' has been used a lot in the last few days. I offer the view that there is a lot of extreme rhetoric around this issue. An example is that a boss is somehow going to intimidate the worker—that is all the employer does when he goes to work. He has nothing better to do with his time than intimidate potential or current employees. Let us talk a little about intimidation, about the MUA and about what happened in that dispute. Let us talk about shearing sheds being burnt down. Let us talk about the wide combs. As a shearer, I assure the House that I much prefer to shear with a wide comb than a narrow comb. It makes me more money and it does just as good a job. To stop using wide combs was just stupid.

Let us talk a little about the export of live sheep. That market wanted those live sheep. What right did the union movement have to stop me from having the right to trade freely within my occupation in order to make a living? I am talking about intimidation and the right of people to make a living. Let us look at Olympic Dam and the Labor Party. The one man who allowed Olympic Dam to become one of the biggest mines in the world, on the principle of never stopping anyone from having a job, was Norman Foster from the ALP. There are a whole lot of double standards in this. If Australia is to reach its potential and we are to allow every individual Australian to make the most of their opportunities, the Workplace Relations

Amendment (Work Choices) Bill 2005 we are now debating needs to go through.

I want to talk a little about arrogance—that word is coming up pretty regularly. I believe there are various forms of arrogance and arrogance can also lead to poverty. Arrogance is a presumption that your own belief is right, to the exclusion of all others. That can lead to poverty. From 1974 to the late eighties and early nineties we saw our unemployment rate go from 100,000 people—and the Labor minister of the day said he would resign when unemployment reached 100,000, but I do not think he did—to one million people. We will hear often in the debate—the minister has mentioned it a lot—that the one thing you can offer an individual that will give them the best chance in life is a job. That first job someone gets is as important as any job they will ever have—and perhaps it is the most important job they will ever have. This is what I am fighting for in this place. It is what I believe in. I know it is not what the Labor Party believe in, but they must respect that there are other points of view. That is why I think Tony Blair has been successful in the UK: because he has been able to accept other points of view. It is not as if this nation's economy is in such a bad way. This nation's economy is the envy of the world. The argument goes, 'If that is the case, why do you want to bring in this legislation?' The answer is because we want to make sure this country maintains its position in the world and goes on to have an even better outcome for its people and to take its place in the world.

To conclude, the union movement have a great problem and that reflects a great problem for the Labor Party. With union membership in the private enterprise work force standing at 17 per cent, surely the ACTU and the union movement must ask themselves, 'How do we get our membership up?' Because there is no doubt that employees need

good advocacy. It is a legitimate position to argue for their rights and their position in the economy in Australia. But I know all of us in this place would not be here if we relied on 17 per cent. We know that. There is something fundamentally flawed in our system when the movement that portrays itself as the representative of the working people of Australia can only get 17 per cent of the work force to join. I am not anti union. I am pro union. I have been a member of unions. I believe in collective efforts for the wellbeing of particular community groups and for the nation at large. But I cannot accept from my life's experience that the issues that the Labor Party and the ACTU have thrown at me during my working life are acceptable. This country is based on the sort of economy we are running now, and there is no way I want to see that put under threat. I want to see more people in the work force rather than fewer.

Mr HAYES (Werriwa) (10.41 am)—I am absolutely opposed to the Workplace Relations Amendment (Work Choices) Bill 2005. Any member of this place who genuinely supports working Australians from all walks of life, from all industries and occupations, and any member who genuinely supports Australian families must oppose this bill.

This is a bill that hardworking Australians who understand what the government's real agenda is have been waiting for with a mixture of fear and concern. They have nervously awaited this bill because the government has now detailed its plans while hiding behind the sweeping statements of what must be considered probably the largest advertising campaign in this country's history—at least for a government. They have been dreading the day, ever since 26 May, because they knew that what the government was intending to do was turn Australian workplaces on their heads. Australian people knew it would mean for them that their rela-

tive bargaining power on the job was about to be slashed.

Now they have the details, and I have to say that they are worse than expected. With more than 1,200 pages of the bill and explanatory notes tabled 24 hours before the commencement of this debate, nobody has had a realistic opportunity to consider its complexities. Nor will they get the opportunity to have their say on the bill through a proper Senate inquiry, because the government has decided to ram it through the parliament before Christmas, skipping any sort of due process and proper scrutiny. What a great Christmas present that is going to make for many Australian families!

On top of the advertisements they have already paid for, working Australians and their families will have the rug pulled out from under them and they will have the shadow of uncertainty cast upon them. Members opposite have invariably trotted out their horror stories of how unions have allegedly interfered with business in their electorate and their stories of how no employer they know would ever take advantage of these laws. We have heard and will continue to hear that these reforms are necessary, to secure Australia's ongoing prosperity, to secure higher wages and to create more jobs in the future. I say to those members opposite: do not believe your own propaganda.

I doubt very much that the government will be so bold as to admit that its true agenda is to create a system governing employment relationships that will place the majority of power overwhelmingly in the hands of employers, while seeking to undercut the functioning system for establishing wages and conditions. I doubt the government will be so bold as to ever admit that this bill is aimed at destroying the union movement and making sure that the profit share of the national income continues to rise

while reductions in the minimum wage mean that the unit cost of labour will continue to fall. They may not admit it—I note they have not admitted it so far—but make no mistake: these are the objects of this bill.

I do not come to this debate without some experience in industrial relations. The government often cites the fact that, among the ranks of the opposition, there are a number of members who were once trade union officials. I am one of them. I also operated a business that assisted employers and employees negotiate with a view to reaching mutually acceptable outcomes. I understand both sides of the employment relationship. I doubt any members of the government can make such a claim.

I spent many years representing the interests of working men and women, negotiating on their behalf and appearing before various state and Commonwealth industrial tribunals. As a union official I honestly believe that I played a significant role in assisting various Australian businesses address both domestic and international competitiveness while delivering job security and better pay and conditions for their employees. That is what unions do. The union movement understands that a business needs to operate, because they create the jobs for its members. However, what a union does object to is their members being exploited.

Any captain of industry will tell you that there is always going to be a certain level of workplace dispute. That is inevitable, given the different drivers, needs and outlooks between those running businesses and those who work for the enterprise solely to provide for a family. A businessman reports to his shareholders and his financiers, while a worker's economic responsibility is to his or her family. Therefore, industrial relations is more than just another economic model. It must be responsive to the everyday needs

and preoccupations of people. Workers are more than just a resource, more than just another business input. They are people and they are members of our community.

Our industrial laws were established to temper the excesses of different views, brought together through employment relationships so that the differences could be resolved quickly and cooperatively. The parties had access to an independent umpire, who had power to assist in the resolution of disputes based on the principles of fairness and equity. This bill throws all that out in favour of introducing market forces into employment relationships.

My experience from a long-term and direct involvement in the field gives me a unique insight into the interaction and interplay between those on both sides of the employment equation. I know for a fact that the changes we have before us today will not make Australia a better place and will not create the great economic utopia that this government claims they will.

Despite the claims of the government, and the \$55 million already splashed out on advertising, the reason the government is embarking on this so-called article of faith is not to produce a fairer or better industrial relations system; it is about realising a dream. It is to realise a dream that has been around since HR Nicholls himself: the dream of ridding the workplace of social justice.

For more than a century we have had an industrial relations system that has treated people as more than a mere unit of production, and rightly so. Justice Higgins, in the *Harvester* case in 1907, determined the minimum wage for Australian workers would be based on a person's ability to provide a reasonable standard of living for himself and his family. Our system then established a sound guiding principle: it would consider the value of people not simply as

elements of production but as providers for families. A standard was set and a system was founded on the key principles of fairness, decency, equity and social justice.

The bill before us today wipes all of those principles away and replaces them with another set of principles that encourage division, deceit, manipulation and exploitation. I cannot help but think that the Prime Minister, fuelled by a desire to be all things American, will now go on to encourage us to take phrases like 'let's kick some butt' or 'break some heads'—or his favourite, possibly: 'you're fired'—straight from the Hollywood scripts and into Australian workplaces. This sort of attitude is certainly not the attitude that encourages the great Australian tradition of mateship that the Prime Minister claims he so admires. It will no longer be a case of looking after your workmate; it will be a case of out-negotiating your mate. Nice guys will finish last in a world where workers will be faced with the employer's way or the highway. 'Work Choices' simply means no choice for working Australians.

I am not sure that Australian workers and their families will have the same love affair with the American culture when they understand what it is like to work for tips. The United States may have their George W, but let me assure you that we very much have our very own John W, who is clearly just as destructive and just as divisive.

But of course the Labor Party and the unions are not the only ones who have been critical of the government's agenda when it comes to industrial relations. The long delay since the changes were floated in May has led to many community leaders and representatives expressing their concerns about the changes. Cardinal George Pell, shepherd to Australia's five million Catholics, has expressed his deep concerns, saying:

Some of these trans-national corporations are very, very powerful indeed and I think we need strong and effective and humane and altruistic unions to continue a dialogue with these people. I am certainly not supportive of a radical rethink of the unions. I think that's gone far enough; you might even argue it's gone a bit too far.

The Anglican Archbishop of Sydney, Dr Peter Jensen, has also contributed. He said:

It seems at this point that the proposals shift the differential of power in favour of employers, who can have a propensity to mistreat workers in the interests of business.

Reverend Dr Dean Drayton, of the Uniting Church, commented:

Workers are not commodities in the service of greater profits—they are people trying to make a decent life for themselves and their families.

These community leaders are concerned about the government's view that the only means by which we can compete is by cutting Australian wages to levels on par with those of China, India and Indonesia. The community leaders understand the impact that that will have on society, families and individuals. When church leaders outlined their concern, how did the Prime Minister respond? Did he allay their concerns by guaranteeing that no-one will be worse off? No. He simply responded by saying that churches do not have a monopoly on moral thought—an example of the extreme, arrogant and out-of-touch attitude of this Prime Minister and his government, which is reflected in this bill.

The most interesting thing about this bill is that it uses the corporations power of the Commonwealth to introduce uniform laws in all the states. The collective wisdom of multiple law firms—and thousands upon thousands of billable hours—has been used to draft legislation. The government has gone to great lengths to find loopholes to allow it to achieve its objective, which is to gazump the industrial relations powers of the Australian

Constitution. The appropriateness of this approach matters little—the government is concerned with only one thing: the result. Nothing will get in the way of the conservative dream.

In my first speech in this place, I said I had grave concerns that this government's industrial relations agenda would go beyond the intended goal of weakening the trade union movement. I have been involved in industrial relations from all perspectives, including being a member of an industrial tribunal, and I believe that these changes will profoundly weaken the position of individual workers in relation to their employers. Does the government seriously think that people will believe that, by stripping the power of the industrial umpire and forcing workers to go head to head with their bosses, wages will be higher, working conditions better and life generally will improve?

According to the government's rose-coloured-glasses view of the world, altruism alone will cause employers, businesses, international corporations and indeed corporate raiders to treat employees fairly and equitably in a balanced employment relationship. Clearly this must be the case, because the government is exempting near on 98 per cent of businesses from the application of the unfair dismissal laws. The government is giving power to sack at will and it seriously believes that no-one will abuse it! How stupid does the government think people are?

I wonder whether the same companies should also be exempted from the ACCC oversight and from other forms of corporate policing because they are such good corporate citizens. I wonder too whether the actions of companies that have already been subject to criticism by the courts for acting harshly, unjustly and unconscionably, as well as exploiting and taking unfair advantage of the young, low paid and largely unrepresentative

sented workers, will also receive this government's tick of approval. If employees no longer need protection because businesses have proved they can be trusted so absolutely, surely the government can dispense with the services of Graeme Samuel and his team of corporate regulators. I think not.

The government believes that curtailing the excesses of the corporate world in some business dealings is necessary but that there is no need to curb their excesses when it comes to their dealings with employees. In fact, this government encourages it. Let us consider some of the provisions of the bill and see exactly what is in store for working Australians. Under proposed section 7J, fairness will no longer be considered in the wage-setting process of the Fair Pay Commission. Under proposed section 91C, the 38-hour week will be retained but can be averaged over 12 months. Hence, overtime will effectively be obsolete. Under proposed section 96D, employers will be able to make their own greenfields agreements, unilaterally setting the terms and conditions of a site. Hence, any chance of negotiation is gone. Under proposed section 104(6), duress does not apply when an employee is required to enter into an AWA—that is, you will be forced to enter into an individual contract.

Under proposed section 112, the minister can terminate a bargaining period at the stroke of a pen. Fighting for your rights will be denied. Under proposed section 170CEE, employees can be excluded from the remaining unfair dismissal provisions if the dismissal is for operational reasons. Hence, nobody will be protected from unfair dismissal. Under proposed section 100A, regardless of whether there is a collective agreement in place, an employer is free to pursue individual contracts with employees. Under proposed section 99B, there will be no scrutiny of AWAs except for prohibited content, which is yet to be determined by this minis-

ter. The requirement to bargain in good faith has been removed and collective bargaining will be at the discretion of the employer. As a consequence, you can be forced onto an individual contract. The no disadvantage test has been removed. You will be worse off.

The provisions of the bill also mean that, on the expiry of an agreement, everything automatically defaults to the five minimum conditions. This means people will always be negotiating from the minimum just to keep the wages and conditions they already enjoy. This is not reform; this is a weapon of mass destruction aimed at working Australians and their families. But the most arrogant thing that the government has done is to flatly refuse to give a commitment to working Australians that nobody will be worse off. It surprises me that the Prime Minister is so reluctant to give this guarantee, because the member for Macarthur certainly has not been. An article entitled 'Workers will not suffer, MP says', which appeared in the *Macarthur Chronicle* on 6 September this year, said:

... every worker in the Macarthur area will be better off in a federal industrial system Macarthur Federal Liberal MP Pat Farmer has promised.

If the member for Macarthur is so willing to promise that his constituents will not be worse off, why won't the Prime Minister? The Prime Minister will not do it because he knows that it is simply not true. The Prime Minister has ducked and weaved for months when confronted with this question and has continually cited his record as his guarantee. I can assure the Prime Minister that the people of south-west Sydney know his record when it comes to looking after their interests and consider it to be cold comfort when it comes to the future of their wages and working conditions.

There is no doubt that Australia has to continue the process of reform to build on its

successes, but the narrowness of this government's productivity agenda is astounding. Previous Labor governments have shown that you do not need to attack unions or hold the threat of dismissal over workers' heads to achieve economic success and productivity gains. Australia needs an industrial relations system that is based on fairness and the fundamental principles that provide for a proper safety net of minimum conditions, an independent umpire, the right to associate, the right to collectively bargain, the right to reject individual contracts which cut pay and conditions, and protection from exploitation and unfair dismissal. This bill is poles apart from this goal. No matter how much money the government spends on advertising, the Australian public will not believe that they are better off being forced to be pitted against their boss to negotiate the terms of one of the most significant relationships they are involved in.

In concluding my comments today I congratulate the ACTU and Unions NSW for their efforts to bring to the attention of the community the true nature of the government's agenda. I would also like to acknowledge the efforts of the members of Unions Macarthur. I make the commitment to every police officer, teacher, nurse, ambulance officer, fire fighter, factory worker, shop assistant, hairdresser, dental nurse, office worker, child-care worker, bricklayer, builder, electrician, plumber, hospitality worker—in fact, every worker in my electorate—that I will continue to fight against these changes and will continue to stand up for their rights at work. I support Labor's amendment, and I absolutely oppose this bill. Members opposite who really believe in fairness, decency and family values must also oppose this bill.

Mr NEVILLE (Hinkler) (11.01 am)—Our IR system is archaic, with more than 130 different pieces of employment related legislation, more than 4,000 awards and six dif-

ferent workplace relations systems. Surely in this day and age we can come up with something better than this—and we have, in the Workplace Relations Amendment (Work Choices) Bill 2005. A nation cannot move forward when its work force and its economy are shackled by an overly complicated IR system and a dispute based conciliation process.

Do not get me wrong—I believe unions have their place and I recognise the valuable role they have played and can play in a productive workplace. Unions have delivered better working conditions for millions of Australians who needed higher pay, better working conditions and a more equal relationship with employers. However, the relevance of unions has dwindled to the point where only 17 per cent of private sector employees are now union members.

Another indicator is the fact that workers on AWAs at present earn on average 13 per cent more than those on collective agreements and 100 per cent more than those on awards. Why should anyone sign up to a lesser collective agreement or award to receive less money or fewer benefits? Obviously, modern-day workers are finding unions irrelevant and unable to provide the services they want.

Sadly, it would seem that all the unions and opposition can offer in this debate is a fear campaign. We have seen claims of mothers being sacked for being unable to work and bosses intimidating workers into signing AWAs. Over the last two days we have also seen the opposition ridicule the notion of employees using accountants to negotiate an AWA with their employees. But a bargaining agent can be anyone: it could be an accountant, a business planner, a retired solicitor, a family member and, yes, a union advocate. Let me make this point: if unions were truly doing their job, they would be

preparing a team of young, enthusiastic advocates to accompany workers to the bargaining table. Instead of whipping up a fear campaign, the unions should adapt their services and expertise to benefit Australian workers who choose to enter an AWA.

The ALP also claims that the government wants to slash wages to make Australia more competitive. Having done a little research on this, it is easy to point out that this is a scare tactic. The Union Bank of Switzerland's price and earnings comparison of gross and net hourly rates of pay in US dollars of major cities around the world shows that, across an average of 13 occupations, workers in Sydney take home a net hourly pay of \$US7.80 an hour. The same study showed that workers in Taipei received \$US6.90 net an hour and workers in Tokyo, at \$US13.60, took home almost double the Australian rate. In other words, we are certainly not in a state of forcing down pay—there are other countries around the world with which we compete that have higher pays. Another set of figures from this year's *IMD World Competitiveness Yearbook* shows that in terms of total hourly compensation for manufacturing workers Australia is almost level pegging with Japan and the USA. So the fear that wages will be slashed to remain competitive is unfounded.

The opposition has said that it will reinstate awards. I find that extraordinary. As I move around the electorate and talk to individual unionists and even union groups, no-one seems concerned about awards; they are more concerned about their EBAs. Most acknowledge that their enterprise agreements are far better than anything awards can offer. Under the new regime, there is no reason why that cannot continue. That is why I find it bewildering that there is such concern about and fear of AWAs.

On top of these half-truths, a Labor government would roll back these changes. We

are not removing awards under these changes; we are simplifying them and removing ridiculous provisions such as the one in the New South Wales Pastoral Employees (State) Award which stipulates:

- (a) Where the shearing shed is within 229 metres' walking distance from the kitchen, smoke-oh lunches are to be held in the shed except:
 - (i) where an offsider is employed; or
 - (ii) in the case of a cook of a mess of ten men or less.

Another furphy Labor is peddling is the line that, under this new system, pensions will fall. That cannot happen, because the coalition was the first government to peg pension payments to both CPI and at least 25 per cent of male total average weekly earnings. That was done because, in this time of low inflation, it gave pensioners the chance to stay in touch with workers in the marketplace. In fact, since March 1996, single and partnered pensions have increased by 40 per cent. This means that single pensions have increased by over \$50 per fortnight and partnered pensions by over \$43 per fortnight, each more than they would have under the previous Labor system, largely because of MTAW. I find it absolutely extraordinary that Labor is trotting out MTAW and trying to make people feel that, because MTAW might go down a bit, their pensions will drop, when Labor did not even have a MTAW factor in its pension profile. That is just rank hypocrisy.

The process of the AIRC is inherently complicated. A broad snapshot of its core activities makes your head spin. For example, the AIRC facilitates agreements, prevents and settles industrial disputes, hears and determines unfair dismissal applications, and hears and determines matters involving the registration and coverage of unions and employer organisations. If that were not bad enough, more than half-a-dozen bodies are

regulating industrial relations at the federal level. These are the AIRC, the Australian Industrial Registry, the High Court and federal courts of Australia, DEWR, the Office of the Employment Advocate, the state industrial relations tribunal and so on.

This mishmash of regulation creates enormous cost to employers and employees alike but, contrary to union claims, the government is not seeking to abolish the AIRC and its key responsibilities. Rather, these reforms will modify the organisation's role to keep pace with the needs of a modern economy. Under the new system, the AIRC will focus on its key responsibility—dispute resolution—while retaining its role in simplifying and rationalising awards and regulating industrial action, the right of entry, unfair dismissal and registered organisations. The AIRC will not be able to exercise compulsory powers of conciliation and arbitration. Rather, it will provide voluntary dispute resolution services and maintain its role in providing an initial conciliation service.

One of the most aggravating problems facing small business today is that of unfair dismissal. In my experience, existing laws actually discourage small business from taking on new or permanent employees. I find this particularly so in the city of Gladstone in my electorate. Many different employers and business groups have echoed the same concerns from a national perspective, but I have also received grassroots feedback from small businesses who welcome these reforms. One Gladstone businessman who through his line of work has union membership had this to say in a letter to his union:

What you are fighting is the only answer to small business employment problems, in particular unfair dismissal and employment agreements ... I continue to work my guts out on my own and will never put on any staff as long as the current laws exist. Anyone who supports the existing IR laws which restrict all business should also realize that

they are holding back employment, growth and retaining people's standard of living, especially in the small business sector.

Another businessman related a horrific story to me of an unfair dismissal case. A young man was doing some fairly ugly things at work, including accessing pornography on work computers and so on. They had a talk, and the young man decided to resign and got a very generous 14-week severance pay but, a month later, he came back, claiming \$30,000. The matter came before the Queensland Industrial Relations Commission and then escalated, would you believe, to the antidiscrimination board on the grounds that he was a mentally disturbed person. The claim then went from \$30,000 to \$190,000. The court hearing was set up for three days but lasted only two hours, with the claimant admitting that the evidence he had given was fabricated and that the employer's evidence was accurate. What happened next? The claimant was broke and so only had to pay the punitive penalty of \$5,000 while the ex-employer had to foot a bill of \$53,000.

I would like to go on a lot more about this, but we have an agreement with the opposition that we on our side will restrict our comments to 10 minutes. I think the Workplace Relations Amendment (Work Choices) Bill 2005 is a good bill. I do not mind saying that I had some misgivings with some parts of it, which I made clear to people. I think it will improve the marketplace. I hope it will be the start of a new generation of unions, and I think AWAs will give people many more choices in the marketplace but not at the expense of their EBAs and their awards.

Mr WINDSOR (New England) (11.12 am)—I am pleased to be able to speak to the Workplace Relations Amendment (Work Choices) Bill 2005. I will relate some of my comments to people within the electorate. I have conducted a survey of constituents' views on this piece of legislation. Before

doing so, I would like to explain to the House a bit of my history on these sorts of issues. As you would know, Mr Deputy Speaker Scott, in 1991 I was selected to the New South Wales parliament and my vote was the one that put the conservative coalition government into power in New South Wales. It was a hung parliament.

Mr Billson interjecting—

Mr WINDSOR—I did not hear the interjection, but I am sure it was a good one. One of the issues I raised and supported in my first speech in state parliament was that of industrial relations. The other issue was about incentive based taxation systems. I referred to the federal government on both those issues at the time. John Fahey was the then Minister for Industrial Relations in New South Wales. He became Premier on the removal of Nick Greiner and subsequently came to this place.

But it was my vote that actually got the IR legislation through the New South Wales parliament. I remember that particular time, because the nature of the parliament—being a hung parliament—and the nature of the decision-making process meant that the outcome was based solely on my shoulders. It was a fairly difficult time in terms of the vitriol and the views that were being imposed from all directions—to do this and not to do that. I decided at the time, partly because I was involved in various farm organisations, to support the New South Wales legislation. I had been supportive of the Mudginberri decision in the 1980s and I had followed the now Treasurer's movements in relation to the Dollar Sweets case and a number of those issues. I was also very much involved—at a low level, I admit—in trying to push the issues of free trade and productivity. The New South Wales legislation was mainly based on enterprise agreements and the removal of some restrictions in relation to unions et cet-

era. After that period, the Commonwealth government also did some work on the issues of enterprise bargaining and Australian workplace agreements.

I come to the Workplace Relations Amendment (Work Choices) Bill 2005 with that background. I have never been a member of a union, but I have been supportive of unions. I listened earlier to the member for Grey when he talked about his shearing history, the fact that he had been a member of a union and the rights of people to gather collectively, whether in the workplace or as community groups, to try to push their particular agendas. I would agree with that, but I have to say that I have really struggled with this particular piece of legislation. Given my background and the attitude that I have had in the past towards industrial relations, one of the things that I have done to try to reconcile views is to survey my electorate.

One thing that the government has quite rightly recognised is that as we enter a global society, as we become players in the global community, our living standard is above our productive capacity. The government may or may not like to say that, but I think the issue that is really at the heart of this is how we maintain a living standard when we are moving into a global society where our wage and salary rates are much higher than our productive capacity and much higher than those of many of our competitors. The government is suggesting that, if we move to a different system, that will increase productivity and employment rates and hence we will maintain our position in the world in terms of our living standard.

I do not believe that is entirely true, and I do not think we should be solely focused on the so-called productivity improvements that the Treasurer and others suggest will flow. I am a little dismayed that the Treasury and the government have not done any analyses

on the impact of this legislation on the real numbers—those of productivity and employment rates. There is an argument put that improvements will naturally follow. I do not think that is necessarily the case. I think there are many other things that we probably should focus on before focusing solely on wages and the way in which wages are determined as being the parameter that will keep us in the game.

The Prime Minister, to his credit, has initiated an inquiry into red tape. I think there is an enormous capacity there to influence the productive capacity of our productive industries. Mr Deputy Speaker Scott, you and I both come from regional areas where one of the great problems over the years has been that we have had an artificial cost structure at home and a corrupt price structure overseas. Trying to weave our way through those two parameters and maintain a productive existence has been, at the very least, difficult.

But the government has initiated a red tape inquiry. I noticed the other day—and I think it came from the Productivity Commission—that one of the greatest noncompliers in terms of efficiency is the Treasury itself. I would suggest that before embarking upon this specific industrial relations agenda we should be looking at a whole range of other things—red tape being one and renewable energy being another. If we are serious about trying to maintain a living standard within a global community, surely we have to look at the things we can do at home and how we can do them effectively.

Mr Deputy Speaker, I know I sound like a cracked record on ethanol and I know you are a greater supporter of ethanol, but it is a classic example—not the only one—where we can cut that corner that we are locked into, that agenda where we export grain at corrupt world prices and use some of that money to buy oil at corrupt world prices but

will not do anything about it at home because that would be interfering in the market. I think that is an extraordinary thing to say, particularly in the energy field, where we have such very high and inefficient taxation regimes in terms of fuel excise.

The taxation system is another area where I think the government could have much more say on increasing productivity—incentive based packages and those sorts of things. There is very little mention of that in the 1,200 pages of the document before the House at the moment. The price of housing has been partly driven by government incentives. That may be all very well for those individuals who are sharing in that escalation in the price of houses, but it is not doing anything for the capacity of the generation to follow to enter that marketplace.

We have a relatively low population and we have now got an extraordinary situation where, because of an artificial domestic pricing structure in terms of accommodation, a lot of younger couples are finding that both partners have to work—and they are still struggling to meet mortgage commitments. I have mentioned fuel, but infrastructure is another area where government could do a lot to provide the mainstay and mechanism for productive investment and the umbrella under which a lot of productive investment could take place. Compliance costs and red tape are also issues.

In the telecommunications area we seem to be in reverse gear. Our productive sector in regional Australia is going to be deliberately disadvantaged by moves to privatise operations. We see the debate going on now between the ACCC and Donald McGauchie, the Chairman of Telstra. The Prime Minister has consistently refused to identify where the mythical agreement is that the National Farmers Federation are supposed to have put in place to guarantee parity of pricing for

broadband and telephone services. It is apparently in some speech someone made in the Senate one day that has no bearing on the legislation and is not in the legislation at all.

The member for Gwydir and I have been in conflict on a number of issues, but on the issue of the National Water Initiative I agree with him. I think the National Water Initiative is at risk of collapse. To have put in place a structure that is allowing state governments at the moment to look at charging regimes in the high band of the COAG agreement seems to me to be one of the most unproductive moves that any government could make. But the bureaucracy has been allowed to move on this particular piece of red tape because the original agreement, through the COAG process and the National Water Initiative process, allows the bureaucracy that freedom. The member for Gwydir made the point on ABC regional radio the other day that we have to make a very strong challenge to those bureaucrats who are driving that agenda. This debate is about productivity, and in one fell swoop one of the most productive groups in regional Australia—the irrigating community, which is one of the very few groups in regional Australia which is reasonably profitable—is going to be disadvantaged. Hence our capacity to influence overseas markets et cetera will also be disadvantaged.

I have always supported unfair dismissal legislation in this parliament. I think it is among the top five issues that I have spoken on during my participation in this place. One of the few things that the business community has come to see me about in recent years—that is, since there has been relatively quiet disputation between the union movement and the employer organisations—has been unfair dismissal. As I have said, I have supported unfair dismissal legislation, but I will be moving an amendment to the legislation. I was attempting to move an amend-

ment to excise the unfair dismissal component from the legislation and have it debated separately, but I am told that is very difficult to do, so I will be moving an amendment that the number of employees in a business covered by the legislation be reduced to the original government proposal of 20. Businesses of that size are, essentially, family owned small businesses which should be treated differently from the bigger corporations in the industrial relations system. I will be moving that amendment. As I have said, I have always supported legislation on unfair dismissal for businesses employing up to 20 people.

The government has sent a very nasty signal of uncertainty to the community by increasing the scope of the legislation from businesses with 20 employees to businesses with 100 employees. There was no mandate at the last election to do that. There was a definite mandate that a business with 20 employees was a small business—family owned and operated and face-to-face, where employers needed rights to dismiss people that were different to the rights needed by larger corporations. Some people in the farm sector have expressed some concern about the Corporations Act being used. Even though they have been given five years to adapt to the process, the process of moving to becoming companies does create some concerns, which people are looking at.

My survey has been difficult to put together because of the rush of the legislation, but in the last five days—and some people are still only receiving the survey—I have had a response from 2,200 of my constituents. Out of those 2,200 people, 77 per cent have said they are opposed to the legislation, 20 per cent of people have said they are in favour of the legislation and three per cent of people are undecided. Over the last few months—bearing in mind that the legislation has only been in the parliament for a week

and a lot of people would have been shadowboxing with various propaganda campaigns that were going on—my office has received more than 1,300 letters about this issue. Well over 90 per cent of those letters have been in opposition to the legislation.

The major concern from the business community in my electorate is unfair dismissal. I think the fact that the government has put that issue into this omnibus legislation, grouping it together with a whole range of other things, such as the Fair Pay Commission, the role of the Industrial Relations Commission, the rights of weaker bargainers, the abandonment of the no disadvantage test and the ministerial power to override agreements at the stroke of a pen, is a concern. That new ministerial power—irrespective of the legislation—is something that we should be dreadfully concerned about. The ethic behind this legislation was supposedly that people would have a choice—that the worker and the boss could make an agreement and decide in their own time about their own business. But now you have this capacity for the minister to suddenly come in and override any agreement.

I have the greatest personal respect and regard for the current minister, but legislation does not stay with the minister in the chair. I am certain that the minister in the chair would not abuse that process, but that does not mean that, with a change of government or a change of minister, abuse could not sneak into the process. That sends a message of uncertainty to the community as well, about why that would be there. If it is not for a negative reason, why is it there? What is the positive aspect of having a Work Choices process where the minister can come in and overrule something? That is not deregulation—it is re-regulation.

My major concern is that this legislation, although it has some benefits, has a major

disadvantage for our community, in both an economic and a social sense. That disadvantage will be the division that it creates within our community. For a little over a decade we have moved into enterprise bargaining and a whole range of other areas where Labor and Liberal have been essentially in agreement. We have had very little disputation in industrial relations. The major motivation behind this legislation has very little to do with productivity. The academic arguments and the opinions that are being put up agree—there is no proof that this legislation will improve productivity. One would hope that it will, because it is going to go through the parliament, but there is no proof that it will.

There is no proof that countries that have less regulation in the labour market have better living standards. The Prime Minister has used the argument that there is some academic opinion to that effect. An article in today's *Canberra Times* by Peter Browne is well worth reading in relation to that. It discusses the OECD employment rate index and the job protection index. I do not have the article with me, so I cannot cite the exact figures, but of the six best performing countries in terms of employment and living standards only one has less regulation—and the United States performs quite badly, in fact.

In the time that remains to me, I would like to read a couple of comments made to me by people in my electorate. One of my constituents says:

The group of people on the minimum wage will be the worst affected by this government's quest to support big business and Australia's wealthiest people. The rich get richer and the poor get the picture.

A constituent who was for the changes said:

I believe that, if an employee is found to be unsuitable for a particular job or incompetent in carrying out the task at hand, an employer should be able to terminate his or her employment. Un-

fair dismissal laws were a disgrace and need changing.

I oppose the legislation. (*Time expired*)

Dr JENSEN (Tangney) (11.33 am)—I was staggered to hear complaints by the member for Ballarat about the government limiting debate on the Workplace Relations Amendment (Work Choices) Bill 2005. A friend of mine once said with regard to increasing your capability that some people say, ‘I have 20 years experience, when the reality is that they have one year of experience 20 times over. In this case, the debate consists of the same argument over and over again. The debate is not a real debate. The same points are being made every time.

The economy is the centrepiece of a nation’s wellbeing. That is an absolutely critical aspect that needs to be considered in this argument. You can talk about social niceties and protections and all sorts of other issues, but if your economy is not performing all the protections in the world do not assist. Civil unrest is generally a result of poor economic conditions. Unfortunately we are seeing some of those effects in France at the moment. I know it is not just an issue of poor economic conditions there, but France has 12 per cent unemployment, despite a highly regulated economic and industrial relations environment. There are other social issues involved, but the economy is one of the central issues there.

Some people have asked: why do we need changes? I have said to them: your economic position is essentially like being in a boat on a river. If you stop rowing, you do not stand still; you move backwards. Working on your economy and economic performance is a continual process that you need to follow. Labor’s position appears to be one of no reform at all. Indeed, the Leader of the Opposition has stated that the industrial relations issue has basically been squeezed dry. That

sounds rather like David Lloyd George at the end of World War I talking about squeezing the German lemon. Unfortunately, if Labor ever got into power, the economy would be somewhat of a lemon.

The industrial relations system is not perfect. Look at the effects of Labor’s legacy, where we have had very regulated environments and poor economic performance. If we do not continue a reform process with industrial relations, the industrial relations system will atrophy and result in a sclerotic economy. The only extreme that I can see as far as this legislation is concerned is the extreme scare campaign that has been run by the ACTU. Labor has no real policy, and certainly it does not have any heart or ability to reform. This is in contrast to the legacy of the Hawke and Keating governments, which were reformist governments—and, indeed, many of their reforms were supported by the then opposition. Labor at the moment almost seems to be subscribing to the viewpoint of Lyndon LaRouche of the CEC on economics: that we should return to the Bretton Woods type arrangements that were in place from the 1940s to the 1970s—almost fixed exchange rates and tariff barriers.

In stark contrast, the coalition government is very much a reformist government, and this reform has significantly benefited Australia. There have been no recessions ‘we had to have’ on this government’s watch. People are paid 15 per cent more in real terms compared with when the Howard government took office. So much for the fear campaign of reduced living wages and reduced standards et cetera. Unemployment is down to five per cent, the lowest in 30 years. Interest rates are at historic lows. Inflation is under control. This government is a very good economic manager. Part of that good economic management means that the population generally is far better off, and that is not just the wealthy. Indeed, if you look at the data, it

indicates very clearly that these economic benefits have flowed through to all Australians, not just the wealthy, which is the position put by Labor.

I have heard claims by some members opposite that these changes are undemocratic, particularly given the fact that the majority of people contacting them are opposed to the legislation. Here is a little bit of a lesson for the Labor Party: this nation is a representative democracy, not—and here I will invent a new word—a populatocracy, where we basically legislate in terms of the popular sentiment of the day. I have heard a lot of complaints about the media and media influence on policy. Quite frankly, if we governed according to popular opinion, that would result in the media essentially driving government policy, as media viewpoints, by and large, are where the public generate their viewpoints.

On the views of the opposition—and I have said this before—it is basically like that Led Zeppelin song: *The Song Remains The Same*. For instance, at a doorstep interview on 23 May 2005, Stephen Smith said:

Firstly, these changes will be unfair, they will be divisive and they will be extreme.

Secondly so far as the impact on Australian employees and their families, they will have the effect of reducing their wages, stripping their entitlements and removing their safety nets.

... ..

We also know that the Government's proposing to take an axe to the Minimum Wage, to reduce the Minimum Wage.

Thirdly, we know the Government is looking at reducing the number of Allowable Matters and stripping entitlements.

Sounds rather scary, doesn't it? But let us have a look at what he said 10 years ago:

The Howard model is quite simple. It is all about lower wages; it is about worse conditions; it is about a massive rise in industrial disputation; it

is about the abolition of safety nets; and it is about pushing down or abolishing minimum standards. As a worker, you may have lots of doubts about the things that you might lose, but you can be absolutely sure of one thing: John Howard will reduce your living standards.

That was on 17 October 1995. Let us have a look at those 'reduced standards' again. They are quite interesting: people getting 15 per cent more in real terms, unemployment down to five per cent, inflation under control—it does not sound as scary as the member for Perth was stating 10 years ago.

In his speech, the member for Rankin appears to blame IR reforms for petrol price increases—a staggering claim. Also, as with the member for Perth, he seems to claim that our government wants to lower wages. Why would any government want to reduce people's wellbeing? The member for Rankin states that there is a problem with a lack of necessity, in legislation, to bargain in good faith and that this has been the case since 1996. The fact that wages have gone up by 15 per cent in real terms does not say much for the 'bargain in good faith' legislation. After all, under Labor, with this 'bargain in good faith' legislation, Labor only had around a two per cent increase in wages in real terms over a period of 13 years.

Why is this bill necessary? We need a national system so that we can get rid of the ludicrous situation of multiple awards across the states, where tradespeople from one state cannot be gainfully employed in their trade in another state. Unfair dismissal legislation may have had noble beginnings, but it has been found to be a turkey. It is a disincentive to employ. Other members on our side have spoken about cases where unfair dismissal claims have been brought and won at the tribunal—where people have won their cases despite the fact that the claims were ludicrous. In fact, the issues of unfair dismissal

are obviously clear to the opposition as well. In 1998, the member for Hunter said:

... my wife consistently tells me she could afford to put on one person or would like to put on one more person, but is fearful of unfair dismissals ...

That pretty much says it all.

I could say a lot more on this legislation, but I know that we are trying to be fair to the opposition in allowing them their opportunity to debate, so I will just finish with one point. I have heard the trotting out of the viewpoints of individual economists in Australia, but there are organisations such as the IMF—which is a very prestigious, very powerful economic body—which state that further reforms are necessary. Indeed, the IMF states that centralised awards set minimum conditions in 20 areas, and large employers face six different industrial relations systems—this is for large companies. This is from the IMF, not the government. I guess that the opposition would say that the IMF is in the Howard government's pocket! The OECD state that further unfinished business includes the harmonisation of federal and state industrial relations. They further state:

The Government is now in a position to address these issues and should proceed as soon as practicable.

This is from the United Nations and the OECD. I will leave it at that, and I commend the bill to the House.

Mr MELHAM (Banks) (11.45 am)—I rise to oppose the Workplace Relations Amendment (Work Choices) Bill 2005 and to support the second reading amendment moved by the honourable member for Perth, Mr Smith. The second reading amendment says:

“the House declines to give the bill a second reading, because the House condemns the Government—

and then it goes on for some pages. I want to quote particular subsections as follows:

(d) for creating an industrial relations system that is extreme, unfair and divisive;

... ..

(h) for attacking the living standards of Australian employees and their families by removing the ‘no disadvantage test’ from collective and individual agreements;

(i) by allowing employees to be forced onto unfair Australian Workplace Agreements as a condition of employment;

(j) for abolishing annual wage increases made by the Australian Industrial Relations Commission for workers under Awards with the objective of reducing the Minimum Wage in real terms, and by removing the requirement that fairness be taken into account in the calculation of the Minimum Wage;

... ..

(l) for undermining family life by proposing to give employers the power to change employees’ work hours without reasonable notice;

... ..

(q) for denying Australian employees the capacity to bargain collectively with their employer for decent wages and conditions;

(r) for denying individuals the right to reject individual contracts which cut pay and conditions and undermine collective bargaining and union representation;

(s) for allowing individual contracts to undermine the rights of Australian workers under collective agreements and Awards, for instance by eliminating penalty rates, shift loadings, overtime and holiday pay and other Award conditions;

(t) for removing from almost 4 million employees any protection from unfair dismissal;

... ..

(w) for proposing to jail union representatives or fine them up to \$33,000 if they

negotiate to include health and safety, training and other clauses in agreements;

There are a number of other subsections to the second reading amendment, but those I have just read summarise a lot of my objections to this obnoxious legislation. It staggers me that a government that has been four times elected by the Australian electorate, and that a Prime Minister who, when he was first elected, said that he would govern for all of us and who has no doubt received electoral support from Australian workers right across the spectrum, would bring such legislation into being now that they fortuitously control both the House of Representatives and the Senate. Why are they doing it? Pure ideology. This is something the Prime Minister has wanted all his adult life. In fairness, he has not changed his views. But my criticism is that there was no specific mandate sought for these changes from the Australian electorate at the last election.

That aside, I do not believe these changes are good for the Australian electorate. They are going to further divide our work force. I am not so much concerned for the articulate members of the work force, people on high incomes who have the capacity to negotiate on their own behalf. My concern is for casual employees—and there are more casuals in the work force now than ever before, courtesy of the casualisation that has taken place under this government—young male and female students, migrant women and people on poor wages; people who, without a union arguing on their behalf, will be helpless. They will be left at the hands of unscrupulous employers, and let us not kid ourselves: there are employers out there who are unscrupulous.

This will shift more profits to the bosses. This is not about protecting existing conditions or protecting existing workers. Individual workers will have less to bargain with. I support collective bargaining; I always have.

In a free market economy, why shouldn't workers be able to collectively bargain? Why are we tying hands behind backs on one side of the equation but not the other? This legislation gives bosses a free kick. I joined a union when I was working in my local pub and local club when I was working my way through university, and the union looked after our conditions. We had reasonable conditions, but it was only as a result of being able to be in a collective bargaining situation.

Now we have a government that is actually regulating against one sector of the community. It is regulating against those people who wish to belong to unions and who wish to have unions organise on their behalf. The government cannot say that they will allow people to still do that. As I look through this legislation, I see clause after clause where there are provisions for imprisonment or pecuniary penalties, monetary penalties, if certain behaviour is engaged in.

One that strikes me is that the identity of parties to AWAs is not to be disclosed. That is on page 59 of the bill in section 83BS, which says:

Identity of parties to AWAs not to be disclosed

- (1) A person commits an offence if:
- (a) the person discloses information; and
 - (b) the information is protected information; and
 - (c) the discloser has reasonable grounds to believe that the information will identify another person as being, or having been, a party to an AWA; and
 - (d) the disclosure is not made by the discloser in the course of performing functions or duties as a workplace agreement official; and
 - (e) the disclosure is not required or permitted by this Act, by another Act, by regulations made for the purposes of another provision of this Act or by regulations made for the purposes of another Act; and

- (f) the person whose identity is disclosed has not, in writing, authorised the disclosure.

Penalty: Imprisonment for 6 months.

That forces secrecy into the workplace in relation to AWAs. That can only be to the benefit of the employer; it is designed to nobble the employee.

A number of other provisions are worth recounting. In the explanatory memorandum at pages 203 to 207, under the headings 'New Division 10—Prohibited conduct' and 'New section 104', we see 'Coercion and duress'. The explanatory memorandum outlines coercion in relation to industrial action but notes that it is not coercion for an employer to require an employee to make an AWA. In other words, as it states it is not coercion for an employer to require an employee to make an AWA, we can take it that employers can coerce employees to make an AWA. That is deemed not to be coercion. Why is that provision there? In effect, it is there to favour the employer at the expense of the employee.

The bill has other provisions; one I particularly want to go to is the right of entry. That is explained at page 363 of the explanatory memorandum. We now have complex rules for the right of entry, including defining a 'fit and proper person'. We find that a permit may not be issued to an official if they are not deemed 'fit and proper'; in addition, they must never have been convicted of an offence. Those conditions also apply to the official's organisation. My worry is that that particular part of the legislation is genuinely aimed at unions and their ability to enter the workplace and is more a preventive provision.

In addition, it empowers the AIRC to deal with abuses of the right of entry system. I have no problem with abuses being picked up in legislation; I think that is important. I

am not one to stand in the parliament and say that unions have not been guilty of poor conduct in the past; they have. I do not seek to defend poor conduct—and I do not seek to defend poor conduct on the part of employees. But I never cease to be amazed at the double standards of some on the other side who paint a rosy picture of employers. Not all employers do the right thing by their employees or have decent work practices. Amongst conditions of employment, a number of issues relating to health and safety are questionable when it comes to employers. I am worried about this particular legislation because it seems to be all one way. It has this rosy picture of employers.

As I said earlier, my concern is for that class of employees who are vulnerable, whose first language might not be English and who do not have the capacity to do an AWA, on their own behalf, with their employer. I do not believe that we should have the situation where you take the agreement or you get the sack. The government has already extended its unfair dismissal laws for companies with up to 100 employees but that figure was not the one they used before the election. There is no doubt that the government is using its fortuitous majority in the upper house to bring in this sort of legislation.

I believe that, at the end of the day, this legislation will come back to haunt the government. I do not want to see us go down the American path. I think Australia has a reasonable history. In Australia, in the period of the Hawke-Keating governments, industrial disputes were at an all-time low and wages did not increase to the level that some employees and others would have liked, but that was because there were trade-offs. The accord saw superannuation, child care and other things brought into play as part of the total package of an employee's remuneration. So it was not just totally about wage

increases; other conditions were considered by government at that time.

This government has been fortunate. We talk about the unwinnable 1993 election, but this government won the 1996 election and was left with a good economy. Part of the reason it won the 1996 election was that John Howard campaigned at that time by arguing for minimal change. He did not go to the electorate proposing a radical alternative government.

This is a very radical bill. It is a huge change to existing practices, and some of it will take time to filter through. The government will tell you that the bill will improve the lot of workers, but I am not sure of that; I do not believe that is the thrust of the bill. It is not about improving the lot of workers; it is about shifting profits to the bosses' side of the equation; it is about making it easier to terminate someone's employment. My view is that it will be a dog-eat-dog situation in the workplace, and that will create some problems for the economy.

I am interested to see whether there is any evidence that those on the other side of the House can produce that will show that this is going to lead to an increase in productivity. I am not sure that there is. This is not being done on the basis of increased productivity; it is being done on the basis of ideology. Proposed section 101D states:

The regulations may specify matters that are *prohibited content* for the purposes of this Act.

The *WorkChoices* booklet specifies such prohibited content on page 23. It states:

Clauses that cannot be included in agreements are those:

Prohibiting AWAs;

Restricting the use of independent contractors or on-hire arrangements;

Allowing for industrial action during the term of an agreement;

That provide for trade union training leave, bargaining fees to trade unions or paid union meetings;

Providing that any future agreement must be a union collective agreement;

Mandating union involvement in dispute resolution;

Providing a remedy for unfair dismissal; and

Other matters proscribed by regulation/legislation

The final cruncher is the new section 112, which allows ministerial declarations terminating bargaining periods. As I understand section 112A(4), there are pecuniary penalties for not complying of 300 penalty units for a body corporate and 60 penalty units for a person. My understanding is that this applies to all agreements. We have a minister that can rock up to any agreement and declare termination of the bargaining period.

There is no point telling the government that they should rethink their legislation; this legislation is going to pass basically unamended. I understand Senator Joyce might have some concerns, but by negotiation he will end up supporting the bill, like he did on Telstra. At the end of the day, sadly, the government will get their way and workers in this country are going to suffer unnecessarily—some of whom, frankly, voted for this government. It is going to be up to us, when we come back to office, to repair the damage.

This is going to wreak damage on the vulnerable, the dispossessed and those lower paid workers who do not have the capacity to organise on their behalf. In a capitalist, free-market system, I find it interesting that the party of the free market are, in effect, saying they will not allow a free market. They are going to tie the hands of some employees behind their backs. They are going to make it harder for you to bargain and harder for you to achieve fair pay. Why? Because you are on the wrong side. With this legislation, the

government has come down fairly and squarely on the side of the employers. This legislation is not about looking after the workers. The government does not even pretend to be fair in this situation. (*Time expired*)

Mr ANTHONY SMITH (Casey) (12.05 pm)—I rise this afternoon to support the Workplace Relations Amendment (Work Choices) Bill 2005, which is very important for Australia's future. It will provide a truly national system of choice, simplicity and fairness. On this side of the House, we strongly believe it gets the balance right. It provides for the much needed reforms that strike the right balance for us to create further job opportunities and greater choices and to keep the economy strong, not just tomorrow but well into the future. It is in the interests of Australia, the electorate I represent and the outer eastern suburbs of Melbourne generally.

As I said, we believe this bill gets the balance right. It ensures that there are important protections, which the Minister for Employment and Workplace Relations, in his second reading speech and numerous times subsequently, has outlined. It is worth reminding some of the members opposite of what those protections are. Principally, the Fair Pay Commission will set and adjust the federal minimum wage, minimum award classification rates of pay, federal minimum wages for juniors and trainees—including school based apprentices and employees with disabilities—minimum wages for piece workers, as well as casual loadings. This bill allows people to have a choice and provides those important protections.

In all of the speeches of those opposite and in the commentary from those opposite in the media in the three weeks or so since this bill was introduced, we have seen a scare campaign, a dialogue of doomsday on what

this bill in their eyes would bring forward. That is disappointing, but it is something that we on this side of the House have become all too familiar with when it comes to industrial relations reform or any change whatsoever on workplace relations.

You only need to go back and look at the attitude and approach of those opposite to previous reforms to see that they have performed the role of roadblock on every single proposed reform in industrial relations in the last 10 years. What we are seeing here today in this debate is just another groundhog day of negative scaremongering and opportunism.

Those opposite opposed any move to introduce voluntary unionism. They opposed all of the reforms back in 1996. They opposed moves to improve the waterfront and make Australia's waterfront more competitive and efficient. They did so in the full knowledge that our waterfront was not operating effectively. Now they look at a waterfront operating more effectively, building a better economy, and they say nothing.

Those opposite also oppose any moves to fix up some of the worst areas of union thuggery and intimidation, like the building industry. They opposed a royal commission into that. It seems that when it comes to supporting the union movement there is nothing they will not support if they are asked to. There is nothing that they will not differentiate themselves on. That is easily explained by the fact that they are simply owned and operated by the trade union movement.

Those opposite conveniently ignore the changes that have been made over the last 10 years and go into their latest scare campaign. Their rhetoric and speeches—the breathless scare campaign by the Leader of the Opposition—are identical to what occurred in 1996. If you just replay the tape from 1996, you will see the same thing. What did the now

Leader of the Opposition say back in 1996 when the government embarked on its first round of needed reforms? He said that it would create an Australia with:

... the kind of low wage, low productivity industrial wasteland we see in the United States and New Zealand where jobs can be bought at bargain basement rates.

He said that Australia would go:

... straight down the American road on industrial relations legislation, straight down the American road on wages justice ...

He continued:

... and that produces social dislocation more than anything else.

He also said:

At the end of the day, guns are a symptom of that process.

What did Senator Mark Bishop say back in 1996? He said:

The bill before the Senate today will result in lower wages and conditions in a range of industries ... All this bill offers Australians is a 19th century industrial relations agenda in a 21st century world ...

There was scare after scare. In June 1996, the member for Batman said in this place that the bill 'threatens the very fabric of our society'. That was their scare campaign then; that is their scare campaign now.

But what actually happened after 1996? The economy grew. We have had strong and stable growth for the last nine or 10 years. Wages have increased by nearly 15 per cent. Some 1.7 million new jobs have been created. Unemployment is the lowest in 30 years. Interest rates have remained at historic lows. That is what happened. That is how believable the scare campaign of those opposite was in 1996.

And that is the test. What those opposite said in 1996 is identical to what they said today and what the next speaker will say. What happened after 1996 is completely at

odds with what they said, but they do not blush: they move on. They just go from one scare campaign to the next.

What happens if we compare what has happened in the economy and what has happened in the labour market in terms of tangible outcomes for Australians and in terms of the sorts of people working hard in my electorate of Casey with what they experienced in the previous period of Labor government between 1983 and 1996? That is the real scare—what actually happened. There was wage growth of just 1.2 per cent and there was a decline in the minimum wage of about five per cent in real terms. This was a deliberate policy. This was not something of which they were ashamed; it is something of which they were proud—in terms of repressing real wages. That is where wages were repressed—under those opposite. Where did it all end? Of course, it all ended in the great economic train crash of the Keating recession. There were a million people out of work. What sort of lot did they have? What sort of job did they have? They had none.

The scare campaign has been back again in recent days. We have been told that people will die of asbestos disease because of this bill. Workers will be enslaved, we have been told by the Labor Party. We have been told that society will break down; that children will not be able to be raised properly; and that children will not see their parents on Christmas Day. We have been told that there will be a class war. It is all the same old stuff.

The problem those opposite have is that they have said it all before. When the legislation comes into effect, it will create the platform for continued growth, prosperity, opportunity and choice across Australia. Small businesses locally in electorates like mine and those of my colleagues, and across the outer suburban seats, are really the lifeblood

and the future guarantee of job prospects for many of our young people.

That is why the unfair dismissal law provisions are so important. We have new and emerging businesses in horticulture, tourism and hospitality, which are very much at the cutting edge of the growth in our economy, that are frightened to hire people because of the current unfair dismissal laws, which those opposite would imply enshrine all the rights of termination. But of course they do not. They would imply that those unfair dismissal laws have existed since settlement in Australia, but they were only introduced in 1993. For the 6,000 or so small businesses in those emerging areas this will provide opportunity, choice and jobs for young Australians to live and work in their area.

In concluding, because I know we are on a short time schedule: take away the political rhetoric of politics in Australia and look abroad. Look at the reforms that are being introduced by this government and compare them to the reforms and the rhetoric of the British Labour Prime Minister, Tony Blair. The name Tony Blair is hardly uttered by those opposite. Look to the independent assessments of international economic bodies such as the IMF and the OECD, which say that these sorts of reforms are necessary to provide future prosperity, future growth and future job opportunities.

Mr RUDD (Griffith) (12.16 pm)—The purpose of Workplace Relations Amendment (Work Choices) Bill 2005 is to radically change the nature of Australia's industrial relations system—an industrial relations system that has served Australia well both in times of war and in times of peace; an industrial relations system that has served Australia well in times of economic expansion of the type we have seen this last 15 years as well as periods of economic downturn; and an industrial relations system that has also

been an integral component of Australia's social framework, a key part of our great Australian social contract and a key contributor to the prosperity we share as a nation. All this has been made possible because, for the last 100 years as a nation, we have believed that our industrial relations system, while never remaining static and always embracing reform, was both an economic agreement and at the same time a social contract.

With this bill all this is about to change, through the most extreme changes wrought in a century. I want to make three points about this bill that relate to my own portfolio responsibilities—a bill that is both bad for the economy and that undermines fairness. The first concerns the bill's impact on productivity, international competitiveness and our trade performance. The second is the impact on fairness as measured by the agreed standards of the International Labour Organisation. The third, which also needs to be brought to the House's attention, beyond the ILO, is the compatibility between this bill and Australia's commitments under the Australia-US Free Trade Agreement in relation to the basic labour standards stipulated as part of that agreement.

Last week Australia recorded another trade deficit of \$1.6 billion for September, the 44th consecutive monthly trade deficit, the deficit that dare not speak its name. Last year Australia recorded its largest trade deficit ever of \$25.5 billion compared to a deficit of only \$864 million in 1996. That contributed to Australia's record current account deficit last year of \$57 billion, blowing out Australia's foreign debt to a record level of \$430 billion and leaving Australia exposed to any sudden adverse change in sentiment by international financial markets. Despite government assurances, any recovery in Australia's trade performance is turning out to be, at best, a very protracted affair. Average an-

nual export growth under the Howard government between 1996 and 2004 was less than half that achieved by Labor between 1983 and 1996 right across the board—in commodities, agriculture, manufacturing and services.

The reasons for this appalling trade performance are many. Key factors that have been alluded to in numerous reports from the RBA, the IMF, the OECD and others include infrastructure constraints, skills shortages and a lack of government support and investment in education, R&D and innovation. The combination of these factors has led to our worst productivity growth figures in 19 years. We must reverse this slide. In the nineties Australia enjoyed the best run of productivity growth on record. Compared to the US, Australia rose from 79 per cent of US productivity rates in 1983 to 86 per cent by 1998. But, since 1998, we have gone into decline. We have now fallen back from 86 per cent to 81 per cent, losing most of the gains of the Labor years. The OECD has said that productivity measures consistently show that output per person hour in Australia is well below that in leading countries—in the US and also some in Europe. That is a fundamental cause of our export decline, and this parliament should be debating legislation that will reverse our productivity decline, not exacerbate it. In announcing his workplace relations reforms in May this year, the Prime Minister said:

... our future living standards will rely largely on the productivity of our workers and their workplaces ... Only through this—

‘reform’—

... will the full potential for productivity gains in the Australian economy be realised.

In advancing these claims the government has not advanced any cogent body of evidence. In fact, it is a triumph of ideology over evidence. It is a triumph of prejudice

over reason. Australia’s level of productivity could in fact diminish further if these new laws lead to significant disruption in the work force and/or a reduction in investment in skills and technology as employers seek to increase productivity by cutting wage costs rather than investing in new plant and equipment and upgrading the skills of their work forces. Any further reduction in productivity will exacerbate our appalling trade performance.

The Productivity Commission has done a considerable amount of research in this area. It attributes Australia’s productivity growth surge in the 1990s to the long-term policy reform strategy implemented by the Hawke and Keating governments that removed unnecessary barriers to competition and gave government business enterprises more autonomy and exposure to commercial disciplines. Structural factors, including the introduction and widespread take-up of new technology, especially information communications technology, and an increase in average education levels in Australia, also produced a burst in productivity growth. These are the policies—particularly greater investment in education, skills, training, R&D and innovation—that we must rediscover, reinvent and reinvest in if we are going to be able to generate the next productivity growth surge. Putting workers onto individual contracts is not a sure-fire route to productivity growth.

If we look across the Tasman and assess the New Zealand experience following the implementation of the Employment Contracts Act in 1991, which set the groundwork for many of the features contained in this bill, we see that the ECA abolished industrial awards, established a system to impose individual contracts and ended the official recognition of trade unions. The truth is that the changes instigated in the name of productivity under the ECA have not resulted in greater productivity growth. Dr David Peetz,

of Griffith University, compared the experience of Australia and New Zealand in the 1990s. Between the late seventies and the early nineties, Australia and New Zealand experienced very similar rates of productivity growth but in 1991 Australia and New Zealand chose radically different workplace systems: Australia moved towards a system of collective enterprise agreements, while New Zealand shifted to individual contracts under the ECA. If the government claims are to be believed, New Zealand would have experienced much higher productivity growth. In fact, the reverse is the case—something the Treasurer refused to engage in when asked this precise question by the shadow Treasurer, the member for Lilley, in parliament yesterday.

Australia's growth in labour productivity was far superior to New Zealand's year after year because collective agreements encourage more harmonious workplaces while also enhancing greatly the industrial flexibility of individual firms. This approach to enterprise agreements was based on the reality that, beyond the base level protection provided by the relevant industry-wide awards, firms needed greater individual flexibility to operate in the global marketplace. But, while Australia's productivity growth improved considerably, New Zealand's productivity levels languished well behind not only Australia but also most developed countries during the 1990s. New Zealand's productivity in the 1990s in fact fell below the level achieved in the 1980s; yet, at a time of failing productivity, the government wants to take Australia down that very same New Zealand path.

Dr Peetz also noted in his submission to a recent Senate inquiry into workplace agreements that the fall in Australia's productivity performance in recent years coincides with the implementation of the government's Workplace Relations Act. The Workplace

Relations Act has been in effect for the full period of the current productivity cycle, which started in 1999-2000. Prior to that time, labour productivity was growing at around 3.2 per cent, but it has since dropped to just 2.3 per cent per annum. Dr Peetz said:

... this is even below the rate of labour productivity growth that applied during the traditional award period. It is despite the fact that average union density, at 53 per cent, was over twice the rate of union density that has applied in the current cycle.

Union density in the current cycle is 24 per cent. Australia's employment protection legislation is already one of the least restrictive in the OECD. According to the OECD's *Employment outlook* report, only the US, Canada, the UK, Ireland and New Zealand had less strict employment protection legislation than Australia. Despite this, the Prime Minister argues that Australia's current laws impose unnecessary costs on business—small, medium and large alike. Where is the evidence to support the Prime Minister's argument that our current IR laws impose burdensome costs on Australian business, small, medium or large? None has been advanced. Where is the evidence that these new laws will shift Australia onto the next productivity growth surge? None has been advanced. In their latest long-term economic forecast for Australia, BIS Shrapnel definitively state:

As it currently stands, the proposed changes will do little to improve labour productivity.

BIS Shrapnel pointed out that it was the Keating government's industrial relations reforms in the early- to mid-1990s that gave the major boost to Australia's productivity over the second half of the 1990s. In a stark warning that this parliament should heed, particularly when our economy is burdened by record levels of debt and significant external imbalances, BIS Shrapnel question the whole basis for these reforms by also noting:

It is probably a bad time macro-economically to buy a fight on industrial relations.

The International Labour Organisation, of which Australia was a founding member in 1919, is the global tripartite agency responsible for setting and monitoring basic minimum workplace standards known as international labour standards, or ILS. As a member of the ILO, Australia voluntarily agreed to and is bound to implement international labour standards in Australian labour law, including the application of international jurisprudence protecting the right to strike from legal sanctions. In June this year, the government was successful in having Australia elected to the governing body of the ILO to represent the Asia-Pacific region. At the time of Australia's election to the ILO, Minister Andrews claimed:

Australia has much to offer ILO members, and we look forward to greater engagement with the ILO both as a governing body member and representative of our closest neighbours.

The minister should be aware that being elected to the ILO governing body brings with it additional responsibilities, particularly the responsibility to lead by example and to show substantive commitment to the principles of the ILO. To highlight how out of step the government is with basic international standards, let me simply raise for the benefit of the House a number of the key ILO conventions. Article 1 of Convention 98, the Right to Organise and Collective Bargaining Convention, states:

Workers shall enjoy adequate protection against acts of anti-union discrimination in respect of their employment.

Such protection shall apply more particularly in respect of acts calculated to—

- (a) make the employment of a worker subject to the condition that he shall not join a union or shall relinquish trade union membership;
- (b) cause the dismissal of or otherwise prejudice a worker by reason of union membership or be-

cause of participation in union activities outside working hours or, with the consent of the employer, within working hours.

Article 4 says:

Measures appropriate to national conditions shall be taken, where necessary, to encourage and promote the full development and utilisation of machinery for voluntary negotiation between employers or employers' organisations and workers' organisations, with a view to the regulation of terms and conditions of employment by means of collective agreements.

Furthermore, article 11 of the Freedom of Association and Protection of the Right to Organise Convention states:

Each Member of the International Labour Organisation for which this Convention is in force undertakes to take all necessary and appropriate measures to ensure that workers and employers may exercise freely the right to organise.

Right now in Geneva the ILO Committee on Freedom of Association is considering a complaint brought by the ACTU against the government's current workplace laws and whether they breach the freedom of association convention. That complaint is being prosecuted in relation to the building construction industry legislation of 2003. This bill further undermines workers' freedoms to voluntarily associate in the workplace. This new legislation again calls into question the government's observance of the most fundamental of ILO standards of freedom of association and the rights of workers to collectively bargain.

'Legislation more antagonistic to workers' interests than operates in either the US and Britain' is how Dr Peetz describes it. The US passed the National Labor Relations Act in 1935. That act created a right to collective bargaining and requires employers to bargain in good faith. Employees are covered by collective agreements that bind all if more than half agree. Under the British Employment Relations Act, businesses are required to rec-

ognise unions and negotiate with them if they cover more than half of the work force. Where is the balance in the Australian legislation between employers, employees and their representatives? There is no such provision available at present within the bill which is consistent with Australia's obligations to comply with the ILO standards of freedom of association and workers' rights to collective bargaining.

The government's new workplace laws will effectively deny workers the right to organise, the right to strike and the right to collectively bargain. Such laws breach fundamentally internationally accepted standards for employee rights and represent a further chapter in the government's general contempt for the rules and principles of the multilateral order of which we are part.

It should also be brought to the attention of the House that on 1 January this year the Australia-US Free Trade Agreement came into force. Debate about the USFTA centred in large part on Labor's critically important amendments to protect the Pharmaceutical Benefits Scheme and to preserve Australian culture and content on television. In signing up to the FTA, the government also made a commitment to meeting its obligations relating to international labour standards. Under chapter 18 of the USFTA:

The Parties reaffirm their obligations as members of the International Labour Organization (ILO) and their commitments under the *ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up (1998)* (ILO Declaration).

It continues:

Each Party shall strive to ensure that such labour principles and the internationally recognised labour principles and rights set forth in Article 18.7 are recognised and protected by its law.

What are those rights set forth in article 18.7?

1. **internationally recognised labour principles and rights** means:

- (a) the right of association;
- (b) the right to organize and bargain collectively ...

Not only does the government have internationally binding commitments to implement ILO standards through Australia's membership of the ILO, particularly as we are now a member of the ILO governing body, but these commitments are also reinforced under our obligations under the USFTA.

The Prime Minister, in short, is seeking to Americanise Australia's industrial relations system—low wages and low skills that will inevitably result in lower productivity, not higher productivity as the government misleadingly claims. It is a recipe for an economy built on the shoulders of the working poor. When the economy turns down, as it inevitably will at some point, the harshness of these measures will be visited upon those who are the most vulnerable in this society. Honourable members know that, if they are in honest dialogue with their consciences. In such a situation, the diminished bargaining power of workers and significantly greater power of employers, along with the exclusion of unions from the workplace, will lead to uncompensated job cuts, fierce competition between employees to stay in work on significantly reduced wages and conditions, and exploitation of the most vulnerable. This is the path that the government is deliberately taking us down.

The intent of this bill is best summed up by Saul Eslake, the Chief Economist of the ANZ Bank, who recently wrote:

In the end, attitudes to the government's proposed reforms are probably informed more by politics than by economics ...

That is Saul Eslake, not the Labor Party. Precisely—a triumph of crass politics over sound economics; a triumph of crass politics

over the demand for a just society. We need to ask why it is that these laws have been drawn into virtual universal condemnation by the churches—Catholic, Anglican, Uniting Church. Minister Andrews, sitting on the front bench, shakes his head. Are you in dialogue with your papal encyclicals on this question? Are you in dialogue with Cardinal Pell on this question? Are you in dialogue with the Catholic episcopate on this question? I submit, Minister, you are not. The Evangelical churches, the Salvation Army, even Family First, which has close links with Australia's Pentecostal churches, condemn it. Those opposite know this to be true.

The condemnation of these laws by the churches is even more universal than the churches' condemnation of the Iraq war. It is a rare thing in our national life when the churches raise their voices in virtual unison. The government's response has been to attack the churches—an attack appallingly led by the member for Higgins and the member for Menzies. Wisdom suggests that when the churches speak in unison we in the legislature should pause, we should listen and we should reflect rather than unleash the dogs of war as these members have done. If these laws remain in place in Australia, Australian families will look back to these days in November 2005 as the time when parliament legislated fairness out of the Australian way of life. These laws are not the laws of Deakinite liberals; these are the laws of Thatcherite conservatives. These are laws which we intend to fight with every fibre of our political being and with the single objective of defeating at the ballot box those who have given this legislation sordid birth. I oppose the bill.

Mr HOWARD (Bennelong—Prime Minister) (12.36 pm)—It is with some commitment that I rise to support the Workplace Relations Amendment (Work Choices) Bill 2005. In the process of making a contribu-

tion to this debate, I hope to bring the focus back to what workplace reform is all about. The central reality of economic life in Australia is that in the absence of a strong economy, profitable businesses and a well-motivated work force, no code of industrial relations law can protect the working men and women of Australia. The welfare and the prosperity of the working men and women of Australia are directly dependent on the strength of the Australian economy. Absent a strong economy, the living standards of the men and women of Australia will decline. Absent a strong economy, unemployment will rise. Absent a strong economy, all the aspirations we have for the employment futures of our children and grandchildren will diminish.

To illustrate this point, let me take the House back to the last time this country had a recession. That was in the early 1990s, and you all know who was in charge of the country then—but leave that aside. My central point is that in the early 1990s this country's industrial relations system was far more heavily regulated than it was in the early part of this government's term of office and infinitely more regulated than it is at the present time. My simple reminder to those who sit opposite is that, despite all the rules and regulations, despite the survival into the early 1990s of a heavily centralised wage fixation system, that did not prevent more than one million Australians being thrown out of work. The reason it did not prevent those one million people being thrown out of work is that the industrial relations system of that time did not contribute to the mitigation of the recession. That is the test that you have to apply. The test you have to apply is the contribution an industrial relations system makes to the strength of the economy.

During the course of this debate, I have been accused, and we on this side of the House who proudly support this legislation

have been accused, of many things. In the dying moments of his speech, the member for Griffith said that we seek to Americanise the Australian economy. That is wrong. I do not seek to Americanise the Australian economy; I seek to modernise the industrial relations system of the Australian economy to the benefit of the men and women of Australia. That is what I seek to do. I have been accused of having an ideological obsession with workplace relations reform. It is true that I, along with many people in this parliament, have argued long and hard the cause of industrial relations reform, but I have done it in the belief that industrial relations reform will lift the living standards of the Australian people, and I have powerful evidence on my side in arguing that point of view.

I look around the world and I see a direct correlation between highly regulated labour markets and high levels of unemployment. We see the domestic misery of the French people at the present time, and, unlike the Labor Party, I am not going to blame the riots in Paris on the industrial relations system that France has, but I do point out that one of the reasons for a feeling of alienation and disadvantage is the persistence of high levels of unemployment in this country against a background of other European economies with less regulated labour markets that have experienced much lower levels of unemployment.

I know that those who sit opposite do not like my constant reference to the Prime Minister of the United Kingdom, but the attitude he took to labour market regulation when he became Prime Minister is very instructive. The member for Griffith talked in a sneering fashion about Margaret Thatcher. In my view, Margaret Thatcher is one of the significant political figures of Western history in the post-World War II period. It is undeniably the case that, had it not been for the

courage of Margaret Thatcher, the British economy would not now be one of the strongest in Europe. Had it not been for her reforms, the unemployment level in Great Britain now would probably have been double what it is at present. So I do not walk away from the achievements of that remarkable individual.

What we are fashioning here in Australia is a unique set of labour laws for the future of the Australian nation. They are not in ideological slavery to either an American or a European model. What we are fashioning is an Australian model for an Australia of 2005. What that requires is a recognition of the enormous contribution that the small and medium business sector of our economy is making to our current prosperity and what it will do to our future prosperity and our future employment. I remind those who sit opposite that there are now more small business men and women in Australia than there are members of the trade union movement. I do not say that critically of the trade union movement, because I acknowledge that the trade union movement has made a significant contribution to the history and the development of this country. There is nothing in this legislation that denies the right of the trade union movement to represent people who are its members or to represent people in bargaining situations who are not its members. I simply want to point out to those who sit opposite that the world has changed from the days when almost 50 per cent of the work force of Australia belonged to the trade union movement. The world has changed from the days when we were a five-day-a-week society. The world has changed enormously, and our industrial relations system has to change with it.

We are reminded from time to time by the Labor Party that great reforms were made in 1993. It is true that enterprise bargaining agreements were introduced into our indus-

trial relations system in 1993, but they were heavily circumscribed by a requirement that a union be involved irrespective of whether or not people participating in the agreements were members of the union. Side by side with that superficially liberalised approach came the introduction of what I can only call the infamous unfair dismissal laws of the Laurie Brereton-Paul Keating period, because those unfair dismissal laws have destroyed job opportunities in this country over the 11 years that they have been in operation.

Of all the things that are contained in this legislation, none is more important than our commitment to repeal the unfair dismissal laws, which have not been part of our industrial scene since Federation; they have only been part of our industrial scene since 1994, and then as a result of a secret deal made between the then Labor government and the trade union movement during the 1993 election campaign. That secrecy has been conceded by the then President of the ACTU and the now Labor member for Throsby, Jennie George. The removal of those unfair dismissal laws will add further impetus, I know, to the desire of all of us to see the unemployment rate in this country in future have a '4' in front of it rather than a '5'. The contribution that that can make is very significant indeed.

One of the distinguishing features of this legislation is our desire to create a single national industrial relations system. Some may argue that that is unnecessary. I would argue very strongly that in the 31 years I have been a member of this House there has been an enormous change in the perspective in which business operates in this country. Very small businesses now often have interstate operations. In the early 1960s, if you formed a company in Sydney and you wanted to do business in Melbourne, believe it or not you had to register in Victoria as a foreign company. I can say, having practised

law at that particular time, the registration procedures that were involved were not very different from the registration procedures required to register in the United Kingdom, Canada, South Africa or the United States as a foreign company.

When I was first employed as an articled clerk in a junior solicitor's in Sydney, there were none of the great national law firms that we have at the present time; they were all locally based. The whole focus and operation of our economy has changed. There was a day when the political order was reversed in this country. There was a day when Labor premiers, successful Labor leaders, argued for a single national industrial relations system. The person I still regard as one of the most consummate Labor figures of the post World War II period, Neville Wran, argued very passionately for a single industrial relations system when he was Premier of New South Wales. I can even recall him on occasions suggesting that he would be willing to hand the industrial relations power over to the Commonwealth. Unlike less successful Labor leaders in this country, he recognised the changes that had been going on in relation to the Australian economy.

Any proposal that involves the creation of a single national system is bound to attract criticism from some who wonder whether some degree of local autonomy is being given up. But the reality is that the economic and industrial advantages of a single national system are going to be very major indeed. They will work to the benefit of business, both large and small, and they will also work to the benefit of employees.

Let me spend a few moments analysing the criticisms that have been made of this legislation. We have heard a lot from the Labor Party about how things are being gagged through. We have heard a lot from the Labor Party about how debate allowed for this leg-

islation has been inadequate. It is my understanding that when the legislation is voted on some time later this week there will have been infinitely more time allowed for debate on this bill than was allowed for debate on the legislation dealing with the goods and services tax.

I have listened to many of the arguments that have been put forward, and I have listened to the accusations that we are driven blindly by ideology and rhetoric and that we do not base our arguments on reason. That is why I have done a little bit of research on some of the absurd remarks that have been made. I would say with respect to those who sit opposite: if you seek to enlist the support of the Australian public on this issue, argue your case with some kind of logic and reason, rather than with the absurd hyperbole that has come forth from those who sit opposite—for example, that there will be more divorce as a result of this legislation. In the workplace relations debate on 2 November 2005, Kim Beazley said:

It is not good for the economy for workers to be unable to afford their holidays, their relaxation or a decent family life. Divorce is not good for the economy. Divorce is patently bad for the economy.

And the dire warning that parents will be estranged from their children came from none other than Sharan Burrow—who, rather infamously, was once caught on camera saying how good it would be if you had a mum whose son or daughter had been injured or lost their life in an industrial accident.

That is the measure of the absurd hyperbole that has come from those who sit opposite. It has been said that Australia will regress to the 19th century—so we are not just Americanising; we are now going back to the 19th century—and that families will be set against families and that friends will be set against friends. Mr Speaker, I do no injustice to those who sit opposite. It has also been

said that Australian workplaces will resemble South America's. In the House of Representatives on 3 November 2005, Kim Beazley, Leader of the Opposition, said:

... it is the pre-Federation Liberal Party with just a nasty right wing, hand-me-down ideology to Americanise our workplaces.

... ..

This has gone beyond Americanisation of workplaces—

I was right—

perhaps the South Americanisation of workplaces.

In an interview with Ross Davie on 28 June 2005, the Leader of the Opposition said that economic growth will cease. The problem is that that is what the same person said in 1996.

In 1996 when we introduced some reforms, which were watered down as a result of the action of the Australian Democrats and the Labor Party in the Senate, the same dire forebodings came forth, not only from the Leader of the Opposition but also from the member for Perth. Seeing that we have had something of a sermon from the member for Griffith—and I will come back to that in a moment—I have to, of course, quote Janet Giles of SA Unions who said on 11 June 2005 that it was 'a pact with the devil'. Then of course the Transport Workers Union of Australia said that more people will die in road accidents and that women and children will be murdered. This is actually the most absurd claim of all:

The history books show what happened in America. People on picket lines were murdered. Women and children were killed, and that is the road this Prime Minister wants to take us down. It is a disgrace.

That was Bob Smith, Labor MLC, speaking in the Victorian parliament on 4 October 2005.

That is a measure of the desperate rhetoric that has been engaged in by the Australian

Labor Party in order to discredit this legislation. Can I say to those who sit opposite: the greater the hyperbole of that kind that you embrace, the more determined we are to support this legislation. Anybody in the Labor Party who imagines that that kind of absurd abuse is going to make any difference to the support that these parties have for this legislation is mistaken.

Before concluding can I just say something about the member for Griffith's contribution on matters relating to the attitude of the Christian churches of this country. As members on both sides of the House will know, I have never in the time I have been in parliament sought to invoke religious authority for particular views I hold. I respect the fact, as somebody who inadequately tries to practise the Christian faith, that God is neither a Liberal supporter nor a Labor supporter. People who absurdly suggest otherwise do great injustice to religion. So it applies in relation to this issue. As somebody who has always tried to bring some individual conscience in decision-making to the practice of Christian belief, the idea that there is a Catholic view, an Anglican view, a Uniting Church view, a Presbyterian view, a Baptist view, a Pentecostal view, an atheist view, a Lutheran view, a Buddhist view, a Jewish view or an Islamic view on industrial relations is absolutely absurd. Men and women of good faith of all religions will of course reach different conclusions and, I hope, argue them with a degree of integrity. It does not really serve the purpose of a proper understanding of this legislation or of the attitude of Christian men and women in this country to try and suggest otherwise.

Let me conclude by paying tribute to my colleague the Minister for Employment and Workplace Relations, who has done a remarkable job in putting this legislation together. This legislation will be good for the future of the Australian economy. It will lift

employment. It will lift productivity. Because it will boost the economy and boost productivity, it is the best reform that our industrial relations system can have. At the end of the day, the only thing that can guarantee the job security of the Australian people and the real wages of the Australian people is a strong economy. No set of laws, no set of dogma, no set of rules, no set of rulings by industrial tribunals can deliver a job when the economy is weak. That is the central reality the Australian Labor Party does not accept.

Mr GAVAN O'CONNOR (Corio) (12.56 pm)—The Howard government's Workplace Relations Amendment (Work Choices) Bill 2005 is the most vicious and obnoxious piece of legislation I have seen introduced into this House since I was elected in 1993 to represent working people in the Corio electorate. It is vicious because of the sheer breadth of its attack on the living standards and rights of working people in Geelong and their representatives in the workplace, and it is obnoxious because it reflects the enduring prejudice of a Prime Minister who smirks as his government seeks to deceive decent Australians about the impact of this legislation on their families and on their communities.

The impacts of this legislation are not hard to identify. It will destroy the living standards of many vulnerable working families in the Geelong area. In many workplaces it will pit some workers against their fellow workers, creating mistrust and conflict where there was none before. Ultimately it will adversely impact on the family lives of many working families, as their incomes contract and as reductions in their conditions of employment further curtail their capacity to engage in their community. This is a despicable piece of legislation. It offends the very values of fair play and democratic practice that many Australians hold dear.

Nowhere in this debate has the Prime Minister advanced a coherent economic argument for the extreme changes to Australian workplaces that are enshrined in this legislation. Nowhere has the Prime Minister mounted a social case that these changes will advance in any way the productive relationships necessary to underpin productivity and growth or assist families to balance their work and family responsibilities. Indeed, this Prime Minister's failure to mount a coherent social or economic argument for his proposed changes is laid bare by the quite obscene \$55 million advertising campaign being mounted at the taxpayers' expense to persuade the workers of Australia that these changes will somehow improve their wages and conditions.

I would have thought that, if these changes were so great for the economy and so great for working people, they could stand alone in argument without a \$55 million advertising rort to ram the legislation and everything in it down the throats of working people in this country. There is nothing so obscene as stealing \$55 million of workers' income tax dollars to fund a deceitful advertising campaign to try and persuade families that changes that will rip away their income and working conditions are really in their best interests. It really does not come any more obscene than that. There can be no more cynical act of any government of any political persuasion than that.

This rotten piece of legislation ought to be understood in its historical context. The Prime Minister has attempted to implement this extreme industrial relations agenda before. But it has been the collective wisdom of the Senate and this parliament, when it was free of total government control, to substantially amend this extreme agenda in the national interest. Now the Prime Minister has total political control of both houses. In the twilight of a regrettable political career and

dripping with arrogance, with his last slip of the boot, so to speak, he is driving it hard into working families and the union movement.

The Workplace Relations Amendment (Work Choices) Bill 2005 will create an industrial relations system that is extreme, unfair and divisive. The Prime Minister's great opus is nothing more than an ideological expression of narrow prejudice enshrined in an outdated view of the world, which should have been left in the decade of the last century in which it is rooted. I thoroughly endorse the second reading amendment moved by my friend and colleague the honourable member for Perth, who is with me here in the chamber today, for it eloquently summarises all that is essentially wrong with the legislation.

This legislation attacks the living standards of Australian employees and their families by removing the no disadvantage test from collective and individual agreements. It fails to provide a guarantee that no individual Australian employee will be worse off under these extreme industrial relations changes. It undermines family life by proposing to give employers the power to change employees' hours of work without reasonable notice. It denies Australian employees the capacity to bargain collectively with their employer for decent wages and conditions. It guts the Australian Industrial Relations Commission and eliminates the role of the independent umpire to ensure fair wages and conditions and to resolve disputes. It removes almost four million employees from the protection of unfair dismissal. It allows individual contracts to undermine the rights of Australian workers under collective agreements and awards—for instance, by eliminating penalty rates, shift loadings, overtime, holiday pay and other award conditions. It denies individuals the right to reject individual contracts which cut

pay and conditions and undermine collective bargaining and union representation. It launches an unprovoked attack on responsible trade unions and asserts that those unions have no role in the economic and social future of Australia, despite what the Prime Minister has said in this chamber today. It destroys rights achieved through the hard work of generations of Australian workers. It undermines the principles of fairness that have underpinned the Australian industrial relations system for the past 100 years.

As attacks on working families go, this legislation is the most vicious and comprehensive attack I have witnessed in the whole of my time in public life. The erosion of working conditions will be a slow burn. It will be over time, as industrial workers have their wages and conditions pared away and as their children take an AWA or do not get jobs, that the awful realisation will dawn on Australians that John Howard has effectively Americanised Australian labour relations. He seeks to Americanise the Australian education system. He seeks to Americanise the Australian health system. He seeks to Americanise the independence of Australia's foreign policy. And he now seeks to Americanise our workplace relations. Is it no wonder that he is known in political circles as the 'little Bush'.

The central economic argument mounted by the government in support of these changes—namely, that workplace flexibility is needed to maintain growth and employment—is fundamentally flawed. It is quite a pathetic argument. It founders on its own inconsistency. Labor left the coalition four years of four per cent annual economic growth, and over the past 10 years the Australian economy has grown at that rate. If the Australian economy has performed so well as a result of the structural and industrial relations changes brought in by Labor, what possible justification is there for this extreme

and radical attack on Australian workplaces? Likewise, when members opposite cite the low level of industrial disputation in this country in recent times—industrial disputation that was brought to its historical low levels by the Labor Party in government, not by a coalition government—that in itself undermines their argument, their central economic thesis.

Ten years ago New Zealand walked down the path of individual industrial contracts in labour relations. Australia under Labor walked down the path of collective enterprise based agreements. The rate of productivity and growth in the Australian economy has doubled that of the New Zealand economy. You cannot be such economic imbeciles that you do not understand the basic economic arguments that we are advancing here today. The Treasurer claims that there is a lower unemployment rate in New Zealand than in Australia. He claims that, but he omits to mention the real reason why the rate of unemployment in New Zealand is so low: hundreds of thousands of them are over here, seeking a better standard of living than they can obtain in their own country. Australia's fundamental economic problems will not be addressed by an extreme and radical industrial relations policy.

We are a community under the Howard Liberal government, and we are riddled with external debt. Put simply: we are the banana republic that has been mentioned in Australia's history, under the Liberal Party and under the tutelage of the Prime Minister and the Treasurer. Household debt is also at record levels. For many average families the loss of income from the loss of penalty rates could lead to them losing their homes. We as a society have relied on consumption as the overwhelming driver of economic growth domestically, and now many of our households are on a financial precipice. They cannot afford to have an extreme industrial rela-

tions system foisted upon them. Our national savings ratio is extremely poor, our manufacturing industries are under enormous pressure from our competitors and massive skills and infrastructure shortfalls inhibit our economic performance. Australia's competitive economic future lies not in the punitive dog-eat-dog workplace relations bill that we have before us, as promoted by this Liberal government, but in a committed and strategic investment in education, skills, innovation and infrastructure. This bill before us is not a blueprint for future development; it is a blueprint for future productivity disaster.

I want to look at the effect that these unfair and unwelcome changes will have on rural workers and farmers, because as shadow minister for agriculture and fisheries I am concerned about not only the economic impact on the rural work force but also the adverse impacts on the fabric of rural and regional communities. The government believe that the awards under which most of Australia's agricultural workers are employed are so bad that they plan to leave them in place for the next five years—long after the rest of the government's extreme changes to Australia's industrial relations system are likely to have come into force.

The Minister for Agriculture, Fisheries and Forestry spent two parliamentary question times last month denigrating hardworking rural workers such as shearers, fruit pickers and farmhands and mocking a number of provisions of the awards that currently govern their conditions of employment. The minister's attack on rural workers was not only offensive but factually incorrect. The award clauses that seemed to amuse this millionaire minister, at the expense of relatively low-paid rural workers, were largely taken from little-used state awards. Few, if any, of the workers that the minister was making fun of would actually be employed under the awards that he was quoting from. The fact is

that the overwhelming majority of agricultural workers are employed under federal awards, especially the federal Pastoral Industry Award. The *Australian Dairy Informer*—the official organ of Australian Dairy Farmers Ltd, one of the most important rural organisations representing farmers—said in its edition on 4 November:

The Federal Pastoral Award has historically been a relatively flexible award, meaning that changes to agricultural arrangements will be less significant than some other industries.

In other words, dairy farmers have few complaints about the current system and changing it will bring little benefit. In any case, the government are not planning to consign these awards to the dustbin of history any time soon. They have run into a problem of their own making. They have finally woken up to the fact that the proposed unfair industrial relations changes will have a number of unintended and unwelcome impacts on the farming community and they simply have not got a clue as to how to deal with them.

The reason is that 90 per cent of farmers run their businesses as sole traders or in partnerships; only 10 per cent are incorporated, and these are mostly owned by the big end of town. Yet the proposed new industrial laws rely on businesses, including farm businesses, becoming incorporated. Most farmers do not want the extra expense and paperwork associated with being incorporated, and they certainly do not want to pay tax at the corporate rate. To make matters worse, farmers know that if they incorporate they will no longer have access to the Farm Management Deposits scheme. The so-called FMDs are only available, and can only be available, to unincorporated bodies. So the government have found this all too hard and have decided to ring fence the rural awards while they try to find a path through this regulatory mess of their own making.

The Leader of the Opposition has made a clear and unequivocal commitment to tear up and junk this awful piece of legislation. Labor support a fair and productive industrial relations system in which those who work hard are rewarded. We do not support a system that discriminates against and abuses working people. The Leader of the Opposition has outlined clearly Labor's commitments in relation to this bill, based on the following fair principles: the need for a strong safety net of minimum award wages and conditions, the need for a strong independent umpire to ensure fair wages and conditions and to settle disputes, the right of employees to bargain collectively for decent wages and conditions, the right of workers to reject individual contracts which cut pay and conditions and undermine collective bargaining and union representation, proper rights for Australian workers unfairly dismissed and the right to join and be represented by a union. Those are the fair and reasonable principles on which Australia's industrial relations system will be based when the Labor Party return to office.

In conclusion, I remind those opposite of Labor history. We on this side of the House are great students of industrial history. The Labor Party was formed when a group of shearers got together and sat under a tree in a remote Queensland town and formed one of the great labour movements of the world. That is the history of this nation. I say to honourable members opposite: follow your Prime Minister down this road, because many of you are oncurs. Many of you will not see a productive political life in this parliament. As you introduce this bill and vote on it, be mindful of one fact of history: the Labor Party's reason for being is exactly this sort of situation. Have your day in the sun because, as you do, you swell the ranks of the union movement and you increase the resolve of working people to exact the politi-

cal price from you at the next election. Be mindful of this fact: as the lemmings on the other side follow their Prime Minister down this path and as you seek to rip away the wages and conditions of working people, so they will exact a political price from you and take away the political lifestyle to which you have been accustomed. (*Time expired*)

The DEPUTY SPEAKER (Mr Hatton)—Before I call the member for Fisher, I indicate that there was a half-hearted call from the member for Fisher and the member for Corangamite—without rising to their feet—arguing that the word 'imbecile' should be withdrawn by the member for Corio. I point out that it was used in a general manner and although, subjectively, people might not like the word I think it is hardly unparliamentary.

Mr SLIPPER (Fisher) (1.17 pm)—Thank you, Mr Deputy Speaker, for at least considering the point that was made by the member for Corangamite and also by me. I do believe it is inappropriate because, far from being imbeciles on this side of the chamber, the government are far sighted and will not apologise for the Workplace Relations Amendment (Work Choices) Bill 2005, which in 2005 will usher in a new era in industrial relations that will see higher pay for higher productivity.

Rarely, though, does one get to enjoy debates in this place and, when I listened to the honourable member for Corio, I was almost able to close my eyes and imagine that this was the way that the Labor Party used to be, when the Labor Party was fighting the class warfare of the 1890s and uttering rhetoric to the effect that our side of politics was trying to crush the workers. Indeed, I suppose you would say that the member for Corio is, in many respects, a living, breathing dinosaur or troglodyte—and my friend the member

for Hunter is smiling, because he realises that his agreement with the member for Corio was made with some level of levity and mirth. I find it very difficult to understand, though, how members of the Australian Labor Party in this place can, in 2005, expect to be found relevant by the Australian people when they are taking attitudes which are more than half a century old.

It is also interesting to note that the Labor Party continues to talk about how this government wants to crush unions. Workers have been voting with their feet for years. Currently, this year, fewer than 20 per cent of workers in the private sector have opted to join trade unions. That is voting with their feet. It is a telling indictment of the trade union movement, which I will concede has played a very important role in Australia's history. But it indicates that the union movement is somewhat removed from the people whom it seeks to represent. That is why the legislation before the chamber is particularly important because it does, as the name suggests, bring about work choices, individual freedom and the ability for people to sit down and talk with their employer about a better deal. It enables people to work out arrangements which are suitable to employers and employees and it loosens up the system, while still ensuring that we have the Australian principle of a fair go enshrined in the legislation.

The Workplace Relations Amendment (Work Choices) Bill 2005 highlights a system which both is fair for workers and will encourage economic growth for Australia as a whole. Let us look at a few facts. If you listened to members of the Australian Labor Party, you would believe that this government is trying to crush workers and destroy the ability of workers to get ahead and look after their families. When one considers the items in the second reading amendment, moved by the honourable member for

Perth—which goes for some pages—one can see that the Labor Party is not really serious. Even the Labor Party would appreciate that the various items included in the second reading amendment simply do not have any validity.

This bill will better protect fair minimum wages through the establishment of the Australian Fair Pay Commission. For the first time, minimum conditions will be set out in federal legislation. The safeguard of an Australian fair pay and conditions standard will be introduced with the goal of protecting workers during the agreement-bargaining process. As well as simplifying the agreement-making process at the workplace, it will bring in protections for those workers who are currently not sheltered by an agreement. Currently, there is an unmet demand in the economy for workers with specific skills. This is resulting in emerging labour shortages which need to be filled and Work Choices will also help to fill that void. Despite claims by opponents, the Australian Industrial Relations Commission will not be closed down. Many reasonable people in the community think that it should be, but it will not be closed down. It does have an ongoing role under these new laws.

It is interesting to note the comparisons, which have been drawn by honourable members of the Australian Labor Party in this place, between the proposed new industrial relations system—which is being brought into effect by the Workplace Relations Amendment (Work Choices) Bill 2005—and the industrial relations systems administered by the Labour government of New Zealand, in particular, but also of the United Kingdom. By comparison with the legislation in the UK and New Zealand, this legislation is really quite moderate. The Labor Party has suggested that in some way, shape or form the legislation in the United Kingdom and New Zealand has not worked

and is not working. But I find it somewhat curious that Labour governments have been in place in those two countries for a considerable period. However, there is such a consensus in the United Kingdom and New Zealand that there has not been any serious move to undo the important and meaningful reforms brought about which have seen the industrial relations systems in those countries substantially transformed.

As you would understand, with an important piece of legislation like this, there has been a lot of feedback to individual honourable members from members of their constituencies and, like other members, I have received a significant amount of positive feedback about the changes. One business owner—and I will not mention his name—who operates a professional service business in my electorate said that unfair dismissal laws, as they currently stand at present, were having a detrimental effect on his company. He has had a problem with a staff member but, under the legislation introduced by Mr Brereton when he was the member for Kingsford Smith and the Minister for Industrial Relations, he has simply been unable to move this particular person on without leaving himself open to a substantial claim for unfair dismissal. Yet this person has been undermining his business. This person has been in effect the window of the opposition within his business, and I think that it is absolutely unacceptable that businesses with fewer than 100 people are unable to get rid of people without having to face the difficulties of Labor's unfair unfair-dismissal law.

My constituent was particularly deflated in June this year when he contacted my office and was informed that the new workplace relations system, the legislation we know as Work Choices, would not become law until early next year. I imagine the most likely commencement date is now to be 1 March or 1 April 2006. The Work Choices

legislation will assist this businessman to build his business and it will assist him to create additional staff opportunities, so it is a win-win situation—a win for him, a win for his business and, of course, also a win for his employees.

The Work Choices legislation is giving small businesses an opportunity for a fresh beginning. When the new *WorkChoices* booklet was released recently—the one with the orange cover—a Sunshine Coast businessman was one of the first to enthusiastically come into my office and pick up a copy. He has a small business with few staff. I believe one of his sons is one of his employees. He wanted the booklet so that he could begin drawing up workplace agreements with those staff. He sees the Work Choices legislation as a very positive thing for his business. It is a chance to sit down with his workers, and together they can get things organised to their mutual advantage.

Earlier this year I was confronted by a large number of people who were concerned by the scare campaign run by the union movement and the Australian Labor Party. They wanted to know about the new industrial relations system. I hope that I was able to allay their concerns. Certainly when this legislation becomes law the sky will not fall in. There will be increased flexibility, there will be increased opportunity and there will be an increased chance for employers and employees to work out arrangements which are to their mutual advantage.

The unions, I believe, should stand condemned because of the way that they have undermined the confidence of people in the community through mounting this scare campaign which, in effect, has frightened many people and has given people a lot of concerns. I certainly appreciate the chance to talk to constituents, and I am sure I have been able to allay the concerns of many of

them, but it is politically and morally irresponsible for the trade union movement, in its own self-interest, to try to terrify the Australian community into opposition against this very important and positive legislation which we are currently discussing in the chamber.

Regrettably, because of the time constraints, members of the government have been reduced to 10 minutes talking time—I know the clock will not reflect that, but I certainly do not want to incur the ire of the whip. But I do want to stress that included in the reforms, as I mentioned earlier, is the major liberalisation of the unfair dismissal laws which have held back jobs growth in Australia. If I had my way, I would abolish the unfair dismissal laws, even for businesses with more than 100 employees, but that is not the position of the government. I believe, though, that if this is logical for people who employ fewer than 100 then it should be logical for people who employ more than 100.

What we are achieving is the goal of a national industrial relations system in 2005, one which reflects the competitive reality of the Australian economy. Many people on both sides of politics have supported this national industrial relations system. This Work Choices legislation will build very strongly on the successful management by the Howard-Costello government of this country's economy over the past decade. We have performed well, but we can do even better. I have lots more to say, but regrettably I do not have time at this opportunity to express those sentiments. All I want to say is that I reject the second reading amendment moved by the honourable member for Perth and I commend the legislation to the House. I hope that it passes in a speedy way and that it passes in the other place, because the benefits for Australian businesses and workers will be incredibly positive.

Mr KELVIN THOMSON (Wills) (1.28 pm)—For weeks now, Australians have been treated, while eating their cornflakes—or, in my case, Vitabrits—to full-page ads which scream, ‘Australia cannot stand still.’ We have a government which is telling us that Australia is standing still. The trouble is that for the past 10 years the Prime Minister has been trying to tell us the exact opposite: that the economy is forging ahead. To give the House one quote, the Australian government placed an advertisement in the *Economist*, in the edition dated 22 to 28 October, saying:

Although Australians are renowned for their relaxed and friendly demeanour, they are also highly skilled and boast one of the most productive work forces in the world. Benchmarked against other OECD nations, Australia's productivity has been consistently high, reflecting the widespread adoption of new technologies and modern work practices. The rate of increase of labour productivity was 2.1 per cent between 1991 and 2004, and was one of the highest in the OECD countries. It is also significant to note that the number and impact of industrial disputes in Australia has plummeted. Since 1985, the number of working days lost through industrial disputes has decreased on average by a sizable 89 per cent across all industries.

This was said by the government less than a month ago. When I was a kid there was a TV show called *Tell the truth* and it had: ‘Will the real Fred Smith please stand up?’ The question here is: will the real John Howard please stand up—the one who says Australia is moving forward or the one who says Australia is standing still? Frankly, that is one of the key reasons why Australians are not buying this legislation: this idea that Australia cannot stand still completely contradicts everything the Prime Minister has been saying for the past 10 years.

Of course that begs the question: do we need this legislation at all? Paul Keating is quite right to point out that none of this is necessary. Thanks to the enterprise bargain-

ing reforms of the early 1990s, Australia has enjoyed well over a decade of strong productivity growth, real wage rises and low inflation. The Prime Minister likes to take credit for these outcomes, but he owes them to the previous Labor government. Indeed, the legacy that he left behind when the Fraser government, of which he was Treasurer, tried to deregulate industrial relations was one of confrontation and industrial dispute with a wage-price spiral and inflation of 10 per cent, which was knocked down to two per cent only by the high interest rates of the 1980s. Why on earth would we want to try that recipe again? As Paul Keating has written:

The abandonment of the century-old centralised wage-fixing system by the Keating government in 1993 in favour of an enterprise bargaining system has led to productivity-based real wage increases of just on 20 per cent, while at the same time maintaining low inflation.

The fact is, the industrial relations system was changed fundamentally in 1993 ...

He says we are now:

in the 15th year of the expansion—
and—

average weekly earnings growth is running at a modest 3 to 4 per cent. A rate consistent with a 2 per cent inflation rate.

And in the context of 20 years of industrial peace.

He says we should cast our minds back to that last attempt to reform the wage system when the now Prime Minister was Treasurer:

From 1979 to 1982 we had a wage explosion, leading to 11 per cent inflation along with massive industrial disputation.

That 11 per cent inflation rate with a real interest rate of 3 to 4 per cent gave Australia 14 per cent to 15 per cent interest rates through the 1980s; something—

the Prime Minister—

has since blamed Labor for. It took a decade of tax cuts and the Accord plus the recession to break John Howard's 10 per cent inflation rate. To make 10 become 2.

You would think that a two-decade outbreak of industrial peace and wages consistent with an inflation rate of 2 per cent to 3 per cent would be game, set and match for any reasonable person.

But not reasonable enough for this Prime Minister. Back in 1995 John Howard secured a change of government by using the words 'relaxed and comfortable'. I really think that is what won it for him back then when he said he wanted to see Australia and Australians 'relaxed and comfortable'. Even when I, such a determinedly anti-Liberal person, heard those words, I thought they sounded pretty good. The question is whether, 10 years on, Australia is relaxed and comfortable. No, people are tense and afraid. They are tense and afraid about national security and the threat of an attack on Australian soil. The Prime Minister must accept some of the responsibility for that: he took this nation into war in Iraq, without the United Nations sanction, to deal with a threat from weapons of mass destruction which was non-existent and, in so doing, he has put Australia at greater risk of terrorist attack. Australians are not relaxed and comfortable; they are tense and fearful—and this Prime Minister has contributed to that.

It is not just national security and the debacle in Iraq. People are fearful about their living standards and opportunities for their children. They are mortgaged to the hilt. They are extremely vulnerable to interest rate rises; they simply cannot afford one. Yet this government's handling of foreign debt, the current account deficit, the trade deficit and skills and infrastructure issues create constant speculation that the Reserve Bank of Australia will indeed put up interest rates. That constant speculation leaves Australians tense and anxious. Then there is the pressure

on family budgets from petrol price rises. Families are now going without, just to try to make ends meet. The Prime Minister says, 'Too bad. Sorry, there's nothing we can do about that.' In 10 years he has failed to get this country on the path to alternative fuels—natural gas, LPG and biofuels—and free us from our dependence on imported oil. So much for 'relaxed and comfortable'; we as a nation are tense and fearful.

What about opportunities for our kids? This is another area of abject government failure—cuts in training, flatlining in domestic tertiary student places and bringing in skilled migrants from overseas. They have quadrupled skilled migration. The idea is that that is going to solve all of our problems. Parents and young people are not relaxed and comfortable about places for their children at university and TAFE. They are tense and anxious, and tens of thousands who are now sitting for exams around the country will miss out on university places.

Against this background of fear and anxiety, the government injects these new workplace relations changes. Can the Prime Minister explain to the House and to the five million Australians who will be able to be sacked by their employer, without their employer giving any reason at all if this bill is passed, just how it is that scrapping unfair dismissal provisions will make Australian workers more relaxed and comfortable? The Prime Minister wakes up and asks, 'How do I make Australians more relaxed and comfortable? I know: I will make it easier for the boss to sack them.' What a genius! The Prime Minister has been trying to fool Australians into thinking we should not be worried about this. He has been spending \$50 million of our money—your petrol taxes at work—on advertisements with words like 'Unlawful dismissal will still be unlawful'. You have got to wonder how many millions of dollars have been spent on that statement

of the bleeding obvious. Of course unlawful dismissal is unlawful—that is what the word 'unlawful' means. But what the Prime Minister has been trying to do is to fudge and blur the distinction between unfair and unlawful.

Workers should understand very clearly how things are going to work from now on. If the boss says, 'You're getting the sack because I don't approve of your new religion,' then you might well be able to take action. But, if the boss is not quite that dopey and just says, 'You're getting the sack,' and gives no reason at all, there is nothing you can do about that; you are gone. So do not be fooled. This bill takes away your protection from unfair dismissal. It does not matter whether you are doing a good job or not, if you speak up at work about something that is wrong then look out. This law will change the balance of power in the workplace and the Liberal Party intends it to. That is what it is on about. This Prime Minister never was on about relaxed and comfortable. He always was on about changing the balance of power in the workplace.

The same thing applies to working at nights and on weekends. This Liberal-National Party government always claims to be great supporters of the family and of family life, but have a look at its actions, not at its words. Nothing could be more destructive of family life and husbands, wives and children than not spending time together, not being able to see each other and do family things. It is nights, weekends and public holidays that best provide those opportunities. So, if a husband or a wife has to work night times, weekends or public holidays, that is damaging to family life. That is why we have things like overtime, penalty payments, shift allowances and the like: firstly, so that workers who do have to work odd hours get properly compensated for their contribution and that hardship is properly recognised and rewarded and, secondly, so

that employers are encouraged to organise their work so as to minimise these intrusions on family life and are discouraged from forcing their workers to work nights and weekends.

But these laws seek to knock over penalty rates, overtime and shift allowances and to make workers at the boss's beck and call, hanging around by the phone, or with the mobile always on, able to be summoned at a moment's notice. This is not relaxed and comfortable, but it is what the Prime Minister has always been on about. He has never been a friend of the battlers; he has only ever posed as one. That is why the churches are so hostile to these bills. They understand the impact on Sundays and on family life. The Prime Minister's lame cry in the chamber I heard earlier that there is no such thing as a Catholic view on this bill misses the point absolutely.

Time and time again, the provisions of the bill give the lie to the Orwellian propaganda that has accompanied it. We have heard in the government advertising that they are on about simplifying the industrial relations. They want to give us a simpler system. I would point out to the House that we have here something like 1,250 pages of bill and explanatory memorandum, something which has been prepared by dozens of law firms, something which will not simplify the system but will complicate it, just as the GST complicated the tax system. It will be a lawyer's picnic.

The government says we will have a Fair Pay Commission, but fairness is out as a consideration. Under the Australian Industrial Relations Commission it has always been in, but now it has been expressly deleted. Then we have had the government talking about getting third parties out, making things flexible between employee and employer. In the name of this objective, un-

ions are attacked, the Industrial Relations Commission is undermined and awards are stripped. But does the government genuinely want third parties out? In fact, no, the Minister for Employment and Workplace Relations has been given unprecedented powers—powers to intervene, to approve and to not approve. What is the minister if not a third party? So all this talk about flexibility and getting rid of third parties turns out to be nonsense.

Then there is the attack on the minimum wage. The government points out that real wages have risen in the past decade, and so they have. But that is due to the productivity increases driven by the Keating government's enterprise bargaining reforms of the early 1990s and no thanks to this government, which indeed has argued against minimum wage rises at every opportunity. If it had had its way, the minimum wage would be much less than it is now, and if it gets its way the minimum wage will fall. As Bob Hawke said, what we are seeing is the Americanisation of our industrial relations system. If this succeeds, it will create a generation of working poor, and an underclass, the existence of which was revealed so graphically in America in the aftermath of Hurricane Katrina.

This government talks about the threat to our industry coming from the increasing economic success of India and China. But its solution is to compete on the basis of lowering our wages to theirs. We say that is in the teeth of this country's best interests. This country's best interests lie in competing on the basis of high skills and high technology. That is why the Howard government's failure to invest seriously in higher education and failure to invest in university places, in skills training and in apprenticeships is selling this country out and is shamefully shortsighted.

I want to use the remaining time available to me to talk about the scandalous \$50 million taxpayer funded advertising campaign surrounding these bills. With apologies to Winston Churchill, never before in the field of advertising has so much money been hosed up against a wall by so few in so short a time. Spending at the rate of in excess of \$1 million a day—taking a cigarette lighter to public money. It is not as though, however, some people have not benefited. When I asked the Prime Minister a question yesterday, he failed to explain to the House why it was that the Department of Employment and Workplace Relations awarded an \$800,000 contract to the company Salmat Pty Ltd to distribute booklets that the community simply does not want. Over five million of these unwanted *WorkChoices* booklets are now languishing in warehouses. They will end up as food for worms and silverfish. That same company, Salmat Pty Ltd, and one of its directors are shown by the Australian Electoral Commission to have donated almost \$120,000 to the Liberal Party during the latest disclosure period. Nice work if you can get it.

The Liberal Party advertiser Dewey Horton, Ted Horton's company, was awarded a \$2 million contract to produce six million *WorkChoices* booklets, almost half a million of which have been pulped. Mr Horton, it turns out, is subcontracting work to another Liberal Party advertiser, Mark Pearson. These two regularly work on Liberal Party advertising campaigns. The Prime Minister arrogantly refuses to release any documentation relating to Dewey Horton's advertising contracts with the Howard government. In the last couple of days I have lodged freedom of information requests to seek to lift the veil of secrecy from the contractual arrangements underpinning the Howard government's failed industrial relations advertis-

ing campaign. This is a shameful waste of public money.

Indeed, in the House last Thursday I raised the fact that I have been advised that documents relating to Mr Horton have been handed to the Australian Taxation Office and that he has made payments to international bank accounts when working for overseas clients. It really is too cute by half that this massive, lucrative contract given out by Liberal Party insiders just happens to go to the Liberal Party's own advertising team. The public wants to know how these contracts were awarded, they want to see the documents and they want to know what checks the government has to ensure that contracts do not go to people who are engaged in tax avoidance. There has been no denial from Mr Horton, no denial from the government and nothing from the tax office after I raised this in the parliament last Thursday.

We have a secretive political gang known as the Ministerial Committee on Government Communications—some of the Liberal Party's insiders in terms of campaigning. They award the advertising contracts and it is a secretive process. It is time the government came clean as to how this contract has been awarded. Has it been awarded on the basis of favours for services rendered? I think the Clerk of the Senate, Harry Evans, was quite right to express his concern about the potential for corruption inherent in these arrangements. It is absolutely extraordinary that we can have \$50 million of taxpayers' money wasted on a campaign designed to convince the Australian people of something they do not want. It is not about information; it is about propaganda. I have presented a private member's bill designed to straighten out this whole area of government advertising and to ensure that there is proper scrutiny based on the Auditor-General's guidelines.

Let me conclude with one final observation. Labor's fight is not with employers; it is with the government. I want to make one point for the benefit of Qantas. I have heard their management cheering on the government's industrial relations changes, yet at the same time they are lobbying against other airlines being given improved access to their more lucrative routes. I say to Qantas: if this government applies the deregulation blowtorch to your workers and you cheer, and then it comes to apply that same deregulation blowtorch to you and you want to sook about it, do not expect any sympathy from me because it will not be there.

Mr KEENAN (Stirling) (1.48 pm)—It is with great pleasure that I rise to support the Workplace Relations Amendment (Work Choices) Bill 2005. It is legislation that will help secure the prosperity of my constituents in Stirling as well as the prosperity of the wider Australian community. The debate around this legislation has allowed both parties in this chamber to show their true colours. We have seen a government that still has the drive to implement reform that benefits the Australian community, a government that pursues the national interest as opposed to vested interests. At the same time, we have seen an opposition that will do and say anything to protect what is always their bottom line, the only thing that this opposition really care about—maintaining the privileged position of the union movement within the Australian industrial relations system. I suppose we should be thankful that they have at least found something that they can all agree on.

I have heard some plainly ridiculous suggestions about the legislation that is before this House, but I was particularly drawn to the opposition's efforts in question time yesterday. Many members took the opportunity to state their view that this legislation is the culmination of the Prime Minister's obses-

sion with providing a more competitive industrial relations environment. They accused him of championing this throughout the whole of his public life. Mr Deputy Speaker—guilty. The Prime Minister has championed more industrial relations flexibility for the whole of his political career. The Australian people have known it—they knew it in 1996, they knew it in 1998, they knew it in 2001 and they knew it again in 2004. They know that the Prime Minister stands for a simpler, more productive industrial relations system and that this is absolutely at the heart of his core beliefs.

Perhaps I could take a moment to contrast this with the current Leader of the Opposition. What does the Prime Minister's determination say about the member for Brand? Twenty-five years in the parliament—and I congratulate him for that—but I could not tell you one thing that he actually stands for. I know what he is against, but I do not know what he stands for. What policies does he champion? If he were Prime Minister, what set of principles would he use to frame public policy? I am a keen follower of Australian politics, but I could not tell you anything about the views of the member for Brand, and that is the tragedy of the modern Labor Party—rudderless, without a guiding set of principles and led by a leader who cannot actually decide why it is that he is in politics.

Because I have limited time I want to address one particular aspect of this bill that is very close to my heart, and that is the unfair dismissal laws that have for over a decade stopped Australians from getting jobs. The fact that we have tried to pass this measure through the parliament on many other occasions but that it has been denied to the Australian people represents a great disconnect that occurs between some in this place and the real world of ordinary Australians, who have been begging for some workplace flexibility and cannot imagine why such sen-

sible measures have never been passed. The unfair dismissal laws, as they exist, stop Australians from getting jobs—it really is as simple as that. How anyone elected to represent their constituents could fail to support measures that contribute to employment truly beggars belief. Yet the Labor Party has voted against our efforts to repeal these laws over 40 times. I listened carefully to the rationale for doing so, which has been outlined many times in this chamber, and it appears to be the Labor Party's view that the unfair dismissal laws do not hamper employment. But there is overwhelming, independent evidence to the contrary.

Mr Adams—Where?

Mr KEENAN—I am very happy to tell you. The Melbourne Institute of Applied Economic and Social Research, in a study published in 2002, estimated that the current unfair dismissal laws cost small business \$1.3 billion per year and come at the expense of 77,000 jobs. That is 77,000 people that members opposite are happy to throw on the scrap heap. In a survey conducted by the New South Wales Chamber of Commerce over half the businesses surveyed said the unfair dismissal laws had discouraged them from recruiting new staff. Australian Business Limited found that 84 per cent of small business employers were concerned about the potential for an unfair dismissal action when hiring new staff. Research done in other parts of the country backs this up. Even the Victorian Trades Hall Council found that 39 per cent of respondents believe that unfair dismissal laws have affected their business.

Yet the Labor Party refuse to acknowledge this overwhelming evidence. Instead, they have marched into this chamber and cited out-of-touch professors and even Catholic bishops in support of their case. But none of these, I respectfully suggest, have ever run a small business. Rather than communing with

the clergy and academia, Labor members should go and talk to the small businesses in their electorates. They should go down to one of the local thoroughfares and talk to the manager of the cafe, the owner of the local restaurant, the grocer or the newsagent because what they will find is that there is a lot of confusion and fear about employing staff and a concern that you are stuck with staff once you employ them, regardless of how they perform. The intricacies of the current laws are lost on business men and women who do not have the time to study the current legislation. Instead, they do not employ people for fear of falling foul of the complexities inherent in the current regime.

The detailed record keeping and extensive counselling required under the present regime might be good policy in the theoretical world of industrial relations academics, but it totally ignores the real world of individuals and families who are struggling to make a living and cannot afford to waste time on unnecessary bureaucracy. It is not rocket science: the more restrictive you make the legal framework around employment, the more you will reduce the demand for labour. Simple economics tells us that making something more costly to do—in this case employment—will result in an obvious drop in demand. Small businesses do not have a huge amount of time to dispense on human resources. They cannot afford the large human resources departments or the in-house lawyers that are required to negotiate the maze of legislation surrounding industrial law.

Estimates suggest that an unfair dismissal claim costs \$3,600 and around 63 hours of management time for a small business to defend. This is time and money that most small businesses can ill afford. There is absolutely no protection for employers to prevent vexatious claims from being made. Disgruntled employees can use the existing provi-

sions to blackmail their former employer, who often finds it easier just to settle the claim rather than spend time and money defending what may be baseless allegations.

There is evidence to suggest that these laws have their worst effect on the long-term unemployed, young job seekers and workers who come from minority groups. Given the perceived risks that would be associated with employing these groups, employers who are confused and fearful of the existing regime will be more likely to take a chance on a less marginalised group. I hear talk from Labor these days about economic credibility, and a new-found sense of responsibility following the experiment of the previous opposition leader. Yet Labor members have, astonishingly, risen to oppose these much-needed reforms.

Although these laws are attractive at face value, you always need to be mindful of the ultimate effects of such legislation. Because these laws have been in place for many years, it is not difficult for any member to be just that, by actually going to talk to the small businesses within their electorates. They would tell them that these oppressive restrictions cost Australians jobs. The knee-jerk reaction of the Labor Party in opposing these measures appears to be rooted in the outdated notions of class warfare, of the employer as the enemy. Labor assumes that businesspeople will unfairly treat their employees if given half a chance. This is a disgraceful slur on hardworking Australian operators of small, medium and large businesses. Anyone who has employed staff knows that letting one of them go is perhaps one of the most horrible tasks that an employer ever has to perform. It is not something that is done lightly and it is always an unpleasant task.

With the limited time I have got left—with the approach of question time—I would

like to end my speech where I started, and that is by saying that this Prime Minister has stood for a more flexible industrial relations system for the whole of his public life. This stands in stark contrast to the current Leader of the Opposition. He has a chance in question time to stand up and tell us, after 25 years in public life, something that he actually believes in—a core principle that he would be prepared to defend if he were Prime Minister. He could explain to us the sorts of things that he believes in and the sorts of qualities that he would champion if he were to become Prime Minister. I say to the Leader of the Opposition: the parliament is full—you have an opportunity. You can stand up in question time and tell us one thing that you would do if you were made Prime Minister of this country. Stand up and tell the Australian people what sorts of principles you would use when you were defining public policy.

This side of the House is proud of the record of our Prime Minister in standing for workplace flexibility for the whole of his public life. It is now incumbent upon the Leader of the Opposition to stand up and tell us something that he has stood for for the whole of his public life, and to tell us one thing that he would champion if he were Prime Minister.

The SPEAKER—Order! It being approximately 2 pm, the debate is interrupted in accordance with standing order 97. The debate may be resumed at a later hour.

MINISTERIAL ARRANGEMENTS

Mr HOWARD (Bennelong—Prime Minister) (2.00 pm)—I inform the House that the Minister for Veterans' Affairs will be absent from question time today. She is attending a family funeral. The Minister for Foreign Affairs will answer questions on her behalf. I also inform the House that the Minister for Small Business and Tourism will be absent

from question time today and tomorrow due to continuing personal commitments. The Minister for Industry, Tourism and Resources will answer questions on her behalf.

QUESTIONS WITHOUT NOTICE

Workplace Relations

Mr BEAZLEY (2.00 pm)—My question is to the Prime Minister. It is now 21 days since I first challenged the Prime Minister to a national industrial relations debate. Why does this Prime Minister continue to hide behind—

Opposition members interjecting—

The SPEAKER—The Leader of the Opposition will start his question again. No-one could hear that question.

Mr BEAZLEY—With pleasure. My question is to the Prime Minister. It is now 21 days since I first challenged him to a national industrial relations debate. Why does he continue to hide behind \$50 million worth of expenditure of taxpayers' money on Liberal propaganda, 1,200 pages of extreme legislation, six million leaflets and a parliamentary guillotine to kill off the debate? When are you going to agree to come out of hiding and debate us on national television—the debate that you avoided during the election campaign?

Mr HOWARD—In reply to the Leader of the Opposition, it is now nine years and eight months since this government was elected to office—

Opposition members interjecting—

The SPEAKER—Order!

Mr HOWARD—It is passing strange that somebody who is arguing for open debate orchestrates the disruption of an answer. I remind the Leader of the Opposition that it is nine years and eight months since this government was elected to office. It is nine years and eight months since the Prime Minister of this country resumed the correct democratic

process of being answerable to the parliament every day, unlike my predecessor, whom the Leader of the Opposition served as Leader of the House. This government and this Prime Minister have been more answerable and more accountable to the parliament of this nation than any government since World War II.

South Asia Earthquake

Mr LINDSAY (2.03 pm)—My question is to the Prime Minister. Prime Minister, would you inform the House about Australia's assistance to Pakistan in the wake of the recent terrible earthquake?

Mr HOWARD—I thank the member for Herbert for the question. As the House will be aware, the earthquake that hit Pakistan on 8 October has represented an enormous humanitarian disaster. It has killed about 86,000 people and injured some 70,000, and more than three million people are homeless. The House will be aware of assistance that the government has already announced, which I will return to in a moment. But I can inform the House that recent urgent calls, by the Pakistan government, international relief agencies and the United Nations, have been made to provide further assistance in view of the onset of harsh winter conditions and the worsening humanitarian crisis.

In response to these appeals I am pleased to announce that the government has decided to send to Pakistan an Australian Defence Force medical team. This team will provide vital primary health care services in the earthquake zone around Muzaffarabad. It will consist of approximately 140 personnel, including medical specialists, logistic staff and helicopter and support personnel. This follows the dispatch of a reconnaissance mission last week which began planning for this deployment. The Pakistan government has already welcomed our decision. The medical team will leave for Pakistan by the

end of the week. It is anticipated that it will be in Pakistan for approximately 90 days. The cost is in the order of \$18 million to \$20 million. This assistance is on top of the amount of \$14.6 million in earthquake related assistance, which the Australian government has already provided.

The Australian government has also sent to affected areas blankets, sleeping bags, water purification tablets and medicines, including tetanus vaccines. I know that all Australians will wish the ADF medical team well. It will be providing very important humanitarian on-the-ground assistance to the people who have suffered so much. During the severe winter months it will make a significant contribution to relieving the suffering of the people of Pakistan affected by the earthquake. I wish the mission well. I know it will go with the support and good wishes of all Australians.

Workplace Relations

Mr PRICE (2.06 pm)—Under standing order 99, I refer the Leader of the Opposition to his notice of motion No. 40, which appears on today's *Notice Paper*, concerning the challenge he has issued to the Prime Minister to agree to a national televised debate on the government's extreme industrial relations changes. Can the Leader of the Opposition explain why his motion is urgent? Are there any alternative views?

Mr BEAZLEY—Can I have your indulgence, Mr Speaker, to begin by saying that I support the initiative of the government in relation to the aid to Pakistan. They are clearly in desperate straits, and they deserve the support of all nations of goodwill, particularly those of reasonable wealth and standing like us.

But that same support obviously does not extend to the extreme laws that this government is bringing in without proper debate in this place, without real debate and real scru-

tiny and without any sort of mandate at all. It may be the case that the Prime Minister has talked about these things for 20 years, but he did not talk about them in the last election campaign when these issues, like all great issues of the day, were debated before the Australian people. There is a simple solution to that, and it would be done in any other country: he should be prepared to front the people of this nation and explain what it is that he intends for them.

There is another reason why this ought to take place. I was at Canberra Hospital this morning talking to the women—mainly women—who are on the nursing staff and the hospital support staff, doing an absolutely tremendous job. They wanted to know why their hard work in the community was going to be rewarded by the undermining of their shift allowances, the undermining of the penalty rates. 'Does this government,' they said, 'have any understanding of the difficulties that are experienced by balancing work and family in the work force as it now stands?' They wanted an explanation, because they were all, to a woman, emphatic that they had not had it during the course of the last election campaign.

What we have had is \$50 million worth of saccharine advertising from our political opponents, more than was spent in the entirety of the last federal election, spreading simple deceits about the policy that is coming into place. We have had 1,200 pages worth of this extreme legislation and a parliamentary guillotine killing off the debate, and there are six million misleading pamphlets of spin, most of them sitting in a warehouse now. I am told that those six million pamphlets are not aid for a debate; they are for seminars. I ask you! Let us say we distribute 20 of those pamphlets per seminar. That means you can all look forward, over the course of the next two years, to 300,000 seminars around Australia

where these pamphlets will be delivered to you.

Can't you just see it in the highways and byways of our country towns? 'The big top's coming to town, Daddy. Take us down to the circus.' They will get down to that circus and there daddy will learn about how he is going to be easily sacked, and mummy will learn about how she will no longer have family-friendly hours as she looks after her children, and the children will learn what a rotten time they will have when they go to negotiate their first lot of pay.

Mr Baldwin—Mr Speaker, I raise a point of order. At what point does an answer become a speech in a debate?

The SPEAKER—There is no point of order.

Mr BEAZLEY—I say to my friend from Paterson: we all learn by example. We absolutely know who the clowns will be at this seminar. We will have the Leader of the House there with a red nose and a funny hat on as he dances around before the public of this country, continuing with them, face to face, the misleading that he does, but we will not see the Prime Minister. He will not get out there and debate this before the Australian people, either on his own or with me. It is something that the democracy of this nation demands. So the government ought to back off this, because the Australian people are sending them a clear-cut message.

Government members interjecting—

The SPEAKER—Order! Members on my right!

Mr BEAZLEY—They do not want accountants to do their bargaining for them. They do not want to compete with China and India on wages.

Mr Pyne interjecting—

The SPEAKER—The member for Sturt!

Mr BEAZLEY—The nurses I met today, all Australian workers, were making it clear. They wanted a continuation of their rights and conditions, Aussie style.

Mr Pyne interjecting—

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

Mr BEAZLEY—They want to take our kids to cricket and netball on a Saturday morning. They want to be upskilled, not underpaid. They want a fair go, fair dinkum, fair pay. That is what they want. They want an industrial relations system with a fair umpire to make sure they get it. That is exactly what is demanded by the Australian workers.

I will tell you what we are going to do with this bill. We cannot get a debate in this place, but we are going to debate this with the other side of the House all down the next two years. What we will be saying to the Australian people is that, as far as we are concerned, when we get into office we are going to take this bill, and we know exactly where to put it: right in the bin here.

DISTINGUISHED VISITORS

The SPEAKER (2.13 pm)—I inform the House that we have present in the gallery this afternoon the Victorian Minister for Manufacturing and Export, the Hon. Andre Haermeyer. On behalf of the House, I extend to him a very warm welcome.

Honourable members—Hear, hear!

QUESTIONS WITHOUT NOTICE

National Security

Mr BROADBENT (2.13 pm)—My question is on terrorism and it is addressed to the Minister for Foreign Affairs. Would the minister inform the House what policies other countries are employing in their fight against terrorism?

Mr DOWNER—First, I thank the honourable member for his question and his in-

terest. I think we would all agree that the Attorney-General is doing an outstanding job with the new terrorism legislation. This legislation, of course, is essential in order to provide appropriate protections for the Australian people. Whilst there understandably is debate about these issues in our own country, it is worth people understanding that these issues are being addressed in a very robust way in what you might broadly describe as other like-minded countries.

In the United Kingdom, for example, the detention of terrorist suspects without charge can be extended to 14 days under the Terrorism Act 2000. It is also worth noting that the admittedly rather controversial but recently introduced Terrorism Bill 2005 seeks to increase that period of detention without charges to up to three months.

In the United States, noncitizens may be detained indefinitely if the Attorney-General has reasonable grounds to believe that they are a danger to national security, and detention is subject to renewal every six months. The United States also sought to invoke their witness provisions in relation to suspected terrorists. These provisions allow for the arrest and detention of persons whose testimony is material in criminal proceedings where it is shown it is impractical to secure their presence by subpoena. There is no requirement in the United States that the person be charged with a criminal offence, and release of the material witness may be delayed for a reasonable period until their deposition can be taken.

In France the system provides for terrorist suspects to be detained for up to four days and, once a person has been charged, it allows for pre-trial investigative detention for up to three years. The charge of criminal association relating to a terrorist enterprise is also frequently used to justify holding sus-

pects for extended periods of preventative detention.

These types of measures have been introduced in other somewhat like-minded countries, countries with great traditions of freedom of speech and expression and with a broad disposition towards freedom. There is no doubt that those countries realise they have to take decisive and strong action against terrorism, and we must do the same thing in this country—and we are doing the same thing in this country. The people of the countries that I have just referred to want their governments and their parliaments to provide appropriate protection, and in this country likewise the Australian people expect this parliament to provide appropriate protection to the Australian people.

Workplace Relations

Mr STEPHEN SMITH (2.16 pm)—My question is to the Prime Minister. I refer the Prime Minister to his comment on *The 7.30 Report* on Monday night about his extreme industrial relations changes being something that he has ‘believed in for more than two decades’. Does the Prime Minister recall saying in this place on 29 April 1992:

... such matters as penalty rates, ... overtime, holiday loadings and all of those things ... ought to be matters for negotiation.

Isn't this the effect of page 371 of the Workplace Relations Amendment (Work Choices) Bill 2005, which allows overtime, leave loadings, shift allowances, penalty rates and all of those things to be lost at the stroke of a pen, without compensation, through the abolition of the no disadvantage test? Prime Minister, isn't it the case that your extreme changes are not about Australia's future but about your past?

The SPEAKER—In calling the Prime Minister, I say that he can ignore the last part of that question.

Mr HOWARD—Mr Speaker, I actually wanted to answer that. The answer to that is no. In relation to penalty rates and descriptions of the legislation, let me make two points. In relation to penalty rates the position is that, if an employee is covered by an award, that award provides penalty rates. If an employee is negotiating an agreement, unless the agreement expressly removes or modifies the penalty rates, the penalty rates applying in the relevant award will by default operate.

The member for Perth inaccurately described this legislation as ‘extreme’. It is not extreme legislation. The great problem that the member for Perth has—and it is very similar to the problem the Leader of the Opposition has—is that we have heard those descriptions before. I have done a little bit of research about what the Leader of the Opposition has said. Bear in mind that what the Leader of the Opposition is now defending is the present industrial relations system, which was legislated in 1996. That is what he is now defending. The Leader of the Opposition is defending the 1996 system. But let me remind the House of what the Leader of the Opposition had to say in 1996. I invite the House to listen, because these words, the words of the Leader of the Opposition, will sound very familiar. This is what he had to say:

... the kind of low wage, low productivity industrial wasteland we see in the United States and New Zealand where jobs can be bought at bargain basement rates ... straight down the American road on industrial relations legislation, straight down the American road on wages justice, and that produces—

Mr Kerr—I rise on a point of order, Mr Speaker. The laws that the Prime Minister is referring to did not pass in the form proposed by the government. They were stopped in the Senate.

The SPEAKER—The honourable member for Denison will resume his seat.

Mr HOWARD—The quote continues:

... and that produces social dislocation more than anything else.

At the end of the day, guns are a symptom of that process.

Mr Beazley—I rise on a point of order, Mr Speaker. It goes to the point of relevance. This has no relevance to the question. As he knows, his bill then had a couple of hundred amendments made to it in the Senate. It is not the bill that passed—

The SPEAKER—The Leader of the Opposition will resume his seat. The honourable the Prime Minister has the call.

Mr HOWARD—He went on to say:

At the end of the day, guns are a symptom of that process.

The then Leader of the Opposition in the Senate, Senator Faulkner, had this to say:

The social costs of implementing these measures will have a devastating effect on families in Australia ... Thousands upon thousands of Australian workers have sweated blood to achieve conditions—

Ms King interjecting—

The SPEAKER—The member for Ballarat is warned!

Mr HOWARD—The quote continues:

... that allow parents to have time with their kids, to have decent holidays, to have income security, to have leave to look after their children and to have weekends and recreation time.

The Leader of the Opposition forecast doom and disaster in 1996. Nine and a half years later we have the lowest unemployment in 30 years, unparalleled prosperity, great productivity increases and a situation where we have—

Mr Beazley—I rise on a point of order on relevance, Mr Speaker. He is not discussing the question that was put to him by Mr

Smith. Nine and a half years later you have control of the Senate; you did not have it then.

The SPEAKER—The Prime Minister is in order.

Mr HOWARD—The Australian people are better off than they were under you.

National Security

Mr BAKER (2.22 pm)—My question is addressed to the Attorney-General. Is the Attorney-General aware of the response from the community to yesterday's police and security agency operations? Are there methods by which the public can assist with information?

Mr RUDDOCK—I thank the honourable member for Braddon for his question, because there has been a very significant response to yesterday's events from various sections of the Australian community. One of the areas that has been obvious has been the community's desire to assist authorities in relation to their investigations. This has been reflected in the number of calls to the national security hotline. After yesterday's police and security operations, the number of calls to the hotline doubled to 240. Normally, about half of the calls to the hotline are from people seeking to provide information to the authorities but, significantly, yesterday close to 80 per cent were to provide information about suspicious activities and this trend is continuing. Importantly, I am advised by the Australian Federal Police that a preliminary assessment suggests that a significant number of calls provided very useful information. Of course, if only one of these calls provides information that prevents a terrorist attack, the hotline will have been justified.

But there are also some concerns that operations in which the police and security agencies were engaged have targeted in some way particular parts of our Australian community. I want to make this point very

clearly. As the Prime Minister said yesterday, terrorism is everybody's enemy. Yesterday's events were not targeted at the Muslim community; they were targeted at people who were alleged to have been involved in the commission of a criminal act. I want to make it very clear that the Muslim community has made a very important contribution to the development of this nation. We should remember that a large number of Muslims themselves have been victims of terrorist attacks around the world. This government will continue to work with the Muslim community against those who pervert their religion to justify their deadly intentions.

Finally, I encourage anyone in the community who has relevant information to bear in mind that the hotline is available. The national security hotline 1800 number is very easy to remember; it is 1800 123400.

DISTINGUISHED VISITORS

The SPEAKER—I inform the House that we have present in the gallery this afternoon members of the Joint Committee on Education and Science from the Irish Houses of Oireachtas. On behalf of the House, I extend a very warm welcome to the members.

Honourable members—Hear, hear!

QUESTIONS WITHOUT NOTICE

Workplace Relations

Mr STEPHEN SMITH (2.25 pm)—My question is again to the Prime Minister and it follows on from *The 7.30 Report* quote that he has believed in these changes for more than two decades. Does the Prime Minister recall that, following the release of the Liberal Party's Fightback proposal in 1991, there came Jobsback in October 1992? I have had to dust off my copy. Isn't it the case that the 1992 Liberal Party Jobsback policy proposed a minimum hourly rate of pay, four weeks annual leave, two weeks sick leave, 12 months unpaid maternity leave and no

protection for shift allowances, leave loadings, penalty rates and all those other things referred to in my earlier question? Prime Minister, isn't this approach of October 1992 reflected precisely in part VA, pages 65 to 159, of your bill? Prime Minister, when will you finally admit that your extreme industrial relations changes have nothing to do with our nation's future and everything to do with your past?

Mr HOWARD—I thank the member for Perth for the question. I remember December 1992 very vividly. I remember the sense of despair and hopelessness that pervaded the community. I remember that we had an unemployment level of around a million. I seem to remember that the current Leader of the Opposition was in charge of employment matters at the time.

Mr Stephen Smith interjecting—

The SPEAKER—Order! The member for Perth!

Mr HOWARD—I remember a great deal about December 1992.

Mr Stephen Smith interjecting—

The SPEAKER—Order! The member for Perth!

Mr HOWARD—If the member for Perth wants to debate Labor's past, we will be delighted to accommodate him.

Mr Stephen Smith interjecting—

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

Mr HOWARD—I say more specifically to the member for Perth: I am very familiar with the provisions of that policy, which I took to the Australian people again. What we are debating now is the policy that we have presented to the parliament and I would be very interested to hear some questions on it from the member for Perth.

Economy

Mr TICEHURST (2.27 pm)—My question is addressed to the Treasurer. Would the Treasurer update the House on recent data on the Australian economy? What does this data indicate?

Mr COSTELLO—I thank the honourable member for Dobell for his question. Today the Westpac Melbourne Institute released its consumer sentiment survey, which showed that, in the month just past, consumer sentiment rose by nine per cent. That was a strong bounce back from the large fall in September. It bounced back to be above the average—the 100 mark—at 107.6 in November. Probably the main reason for the bounce back in consumer sentiment was the belief that petrol prices have at least stabilised. Also, there was good news overnight that the world oil price has dipped just marginally below \$US60 a barrel, which I think will be received as good news by Australian consumers.

Mr Speaker, bear in mind that, in the September quarter, the all capital average for the petrol price was around 119c; last week it was at 118.4c. If prices remain around these levels, there should be no contribution to the consumer price index for the December quarter from an increase in petrol prices. Of course, we hope that petrol prices decline in the course of the quarter and, indeed, that oil prices stay low. We know they will vary according to climatic conditions, in North America in particular as it comes through the northern winter, but we do hope that oil prices will come back.

We also have housing finance figures released today, which show that the total value of housing finance commitments rose by 3.2 per cent in September and owner-occupied commitments increased by 3.7 per cent. The figures today for housing finance also show more welcome good news: first home buyers

are continuing to re-enter the housing market. The number of loans to first home buyers has been above the long-term average now for seven consecutive months. The number of first home buyers taking out loans was a little more than 10,000 in September. That is welcome news—first home buyers are returning to the market, house prices are stabilising and prospects for taking a loan are good, because employment is strong and interest rates are still at near historical lows. For all of those first home buyers that are now coming into the market, there is a variable mortgage interest rate closer to seven per cent than 17 per cent, which was the situation back in the late-1980s under the Labor Party.

Mr Tanner interjecting—

The SPEAKER—Order! The member for Melbourne!

Mr Tanner—Where's overall housing affordability at?

The SPEAKER—The member for Melbourne is warned!

Mr COSTELLO—Dare I raise for the member for Melbourne where the Labor Party had interest rates in the late 1980s. I am sure he will remind me where they were. I think it was not so close to seven per cent but closer to 17 per cent for first home buyers in the late 1980s. Good economic management produces good opportunity for young Australian home buyers.

Workplace Relations

Mr BOWEN (2.31 pm)—My question is directed to the Prime Minister. Is the Prime Minister aware that on the government's Work Choices web site it is possible for an individual to order and receive, free of charge, up to 99 copies of the government's 16-page colour booklet? Is the Prime Minister also aware that, after receipt of multiple orders, hundreds of copies of the govern-

ment's *WorkChoices* booklet have been delivered by courier to a school in northern New South Wales, including orders addressed to such bogus organisations as the Indonesian Society for the Prevention of Cruelty to Pandas? Prime Minister, how do you justify such wasteful pandemonium?

Mr HOWARD—Perhaps the order was placed by Chris from Waramanga.

Workplace Relations

Mr BARRESI (2.33 pm)—My question is addressed to the Minister for Employment and Workplace Relations. Would the minister inform the House of the attitude of businesses and employees to the new workplace relations system? Are there any alternative views?

Mr ANDREWS—I thank the member for Deakin for his question and acknowledge his leadership of the backbench in his chairmanship of the government's employment and workplace relations committee. Australian businesses, particularly small businesses, know that these workplace relations reforms will be good for business and good for their staff. There has been widespread support from business organisations in Australia—the Business Council of Australia, which represents the top 200 companies in this country; the ACCI, which represents a large cross-section of over 350,000 businesses in this country representing four million employees; the National Farmers Federation, which represents the farmers of Australia; and COSBOA, the Council of Small Business Organisations of Australia. All these business organisations have supported these reforms. Last night on SBS, Tony Steven, the CEO of COSBOA, said:

I believe that small businesses will employ more people.

There is support from workers themselves. Sandra Xuereb, who was shown on the front page of the *Australian* newspaper—a single

mother with a couple of kids—was lauding her ability to be able to work with flexibility in her business and also to look after her family. She was quoted in the *Australian* as saying about this flexibility that she can leave in the middle of the day and do what she has to do; it is really good having that option, being a single mother. Here is a worker saying that this flexibility is good; it is not just for businesses.

Mr Tanner—One worker—10 million to go!

The SPEAKER—The member for Melbourne is on very thin ice.

Mr ANDREWS—We have seen from the opposition over the last few weeks an unbelievable amount of hostility towards businesses in Australia. This is a party which has abandoned small businesses and is now vilifying the motives of small business in Australia. If we were to believe what the Leader of the Opposition was saying, then we would believe that every small business owner in Australia is going to run amok with this legislation and sack workers all over Australia. We have an anti small business rhetoric and an anti small business mentality coming from the Leader of the Opposition and the Australian Labor Party.

It is not just me saying this; it is not just the government saying this. This was said in May of this year:

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

Who said that? Was it John Howard? No, it was not John Howard—

Mr Howard—But I agree with it.

Mr ANDREWS—but he agrees. Was it the Treasurer? No, it was not the Treasurer. This was said in May of this year by Paul Keating. This highlights the hostility of the

Australian Labor Party towards small business.

Ms Plibersek interjecting—

The SPEAKER—Order! The member for Sydney!

Mr ANDREWS—This was confirmed by the infamous lines of the Leader of the Opposition himself in 2000 when he said this:

We have never pretended to be a small business Party, the Labor Party.

He said, 'We have never pretended that.' That is what he said on 6PR radio in Perth back in 2000. There are 28,000 businesses in Kim Beazley's electorate—in the electorate of the Leader of the Opposition. Yet he is running around this country, as is the Labor Party, vilifying every small business and every other business in this country. That is the reality of the attack by the Australian Labor Party.

Honourable members interjecting—

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

Mr Fitzgibbon interjecting—

The SPEAKER—The member for Hunter is warned. I remind all members of the warning I gave before question time on Monday. Given the anticipated proceedings in the next 24 hours, all members would be wise to remember.

Mr ANDREWS—What we are seeing here is an unprecedented extreme vilification of business in Australia by the Australian Labor Party, ranging from the small businesses—the milk bar on the corner—of the suburbs of Australia through to the CEOs of the blue-chip companies of this country. They are being vilified day in and day out by the Australian Labor Party. What this proves once again is that the Australian Labor Party is a party of sectional interests. It is about time it actually acted in the national interest.

Workplace Relations

Ms PLIBERSEK (2.39 pm)—My question is to the Prime Minister. Prime Minister, isn't it the case that, under your extreme industrial relations legislation, many Australians will have no guarantee of starting and finishing times, no guarantee of minimum or maximum hours, no certainty of rosters, no entitlement to a stable income week by week even for permanent full-time employees, and no entitlement to higher rates of pay for overtime or family unfriendly hours. Won't this extreme legislation make balancing work and family tougher than ever before?

Mr HOWARD—The answer to that question is no. The reality is that the greater flexibility provided by this legislation will enhance the way in which the government has already improved the balance between work and family in the Australian community.

I am very pleased that the member for Sydney asked me that question. Just before question time I was looking over some notes for a speech that will be delivered in the next few days, talking about the record of this government in dealing with social security issues. I was reminded of a finding by the OECD that said that Australia had the most outstanding record of any developed country in redistributing in favour of low- and middle-income families. Every single investigation of repute that has been done—be it done by NATSEM or other reputable bodies—

Ms Plibersek interjecting—

The SPEAKER—Order! The member for Sydney has asked her question.

Mr HOWARD—demonstrates that over the last 9½ years, contrary—

Ms Plibersek interjecting—

The SPEAKER—The member for Sydney is warned!

Mr HOWARD—to the nonsense peddled by the Australian Labor Party—and everything they have said in this debate is of a piece—that is the case. What they have said in this debate is a remorseless continuation of the way in which they have misrepresented the social record and the social achievement of this government.

I know it sticks in the craw of the Australian Labor Party, but the truth is that over the last 9½ years the rich have not got richer at the expense of the poor getting poorer. The reality is that our policies—our tax policies, our welfare policies—have resulted in the relative position of the low-income families of Australia improving. We have not only been a better friend of the workers of Australia than previous Labor governments have; we have also been a better friend of the low-income earners of Australia. That is what sticks in the craw. Not only have we been a better friend of the workers but we have been a better friend of the low-income earners. The Labor Party finds that very hard to live with because it knows it is true.

Trade

Mr CAUSLEY (2.42 pm)—My question is directed to the Deputy Prime Minister and Minister for Trade. How will the government's workplace relations changes improve the productivity of our exporters? Are there any alternative policies?

Mr VAILE—I thank the member for Page for his question and recognise that he is a former member and minister of a government in Australia that undertook major reforms that improved the productivity and efficiency of the state of New South Wales. He recognises the importance of the reforms that are being proposed by this government to improve competitiveness and productivity in the Australian workplace.

In the year ending last June, the 2004-05 financial year, Australia exported \$162 bil-

lion worth of goods and services out of this country, with an increase in manufactured exports and right across the board—in the services sector, the commodity sector and manufactured goods. It is the highest level of exports in Australia's history. If we want to continue this export success and be competitive against all other comers across the world, we have to continue to increase productivity gains in Australia and improve the way the Australian economy runs. That goes to the heart of some of the reforms that are being proposed by our government now.

This has been recognised by a number of international institutions. The IMF have urged the implementation of the government's industrial relations reforms to widen the employment opportunities and raise productivity by enhancing flexibility in work arrangements. The IMF's view is that further reforms of industrial relations are needed to expand labour demand and facilitate productivity gains—exactly the objective that the government has.

Our reforms are also supported by the many businesses across Australia that employ millions of Australians in exporting industries. Just to give some examples: Australian Business Woman of the Year, Diana Williams, who started her health club business in Bendigo in regional Victoria, has her 3,000 staff on AWAs. She said:

I think they are pretty happy with the arrangement, especially the maternity leave. Ninety-nine per cent of my staff are female and most are in child-bearing years. Even though the job market is tight, we have a lot of people wanting to work for us.

Mr John Thorpe, the President of the Australian Hotels Association's New South Wales division, said:

Australian workplace agreements are an excellent award alternative for the hospitality industry as they provide flexibility and fairness to an industry that never closes.

He went on to say:

The most important features are the ability for our members to provide flexible and permanent employment to employees who would otherwise be hired as casual staff. AWAs provide a win-win solution to addressing penalty rates and award inflexibilities to the satisfaction of employers and staff alike.

The last one comes from Catalano Seafoods, who are market leaders in providing fresh seafood produce to export markets. Their human resource manager, Karen McCarthy, states:

AWAs have helped increase our retention rates and offer the flexibility to meet our needs while also keeping our employees happy.

They are testimonies from good employers who look after their staff, who look after employees on AWAs; as well as from the IMF, urging the implementation of these reforms in the Australian system to further enhance productivity and our competitiveness in the international marketplace.

Welfare to Work

Ms HOARE (2.46 pm)—My question is to the Prime Minister. Prime Minister, under the government's extreme welfare changes, won't sole parents and disability pensioners be forced to take jobs with below-award conditions? Won't sole parents be working for take-home pay as low as \$3.88 per hour and disability pensioners for as low as \$2.27 an hour? Why won't the Prime Minister listen to the member for Pearce instead of the member for O'Connor and give sole parents and disabled Australians—

Mrs Bronwyn Bishop—Mr Speaker, I rise on a point of order. I draw your attention to standing order 75, irrelevance and tedious repetition.

The SPEAKER—The member for Mackellar should be aware that successive occupiers of the chair have ruled that that

particular standing order does not apply to questions.

Ms HOARE—Why won't the Prime Minister listen to the member for Pearce instead of the member for O'Connor and give sole parents and disabled Australians real help in finding work, not just a cut to their family budget?

The SPEAKER—I call the Minister for Employment and Workplace Relations.

Ms Plibersek—Where's the Prime Minister?

Ms Macklin—Why's he ducking the question?

Opposition members interjecting—

The SPEAKER—Order! The minister has the call.

Mr ANDREWS—I thank the honourable member for her question. Can I point out to her, though, that she has been sadly misinformed of the facts that she put into the question in relation to the payment that anyone will receive.

Ms Hoare—They are the facts!

The SPEAKER—Order! The member for Charlton has asked her question.

Mr ANDREWS—One of the great advantages of what this government is doing by way of reform of workplace relations in Australia is to put in place in legislation in Australia, for the first time at the federal level, a guaranteed minimum wage. The guaranteed minimum wage, the starting point, is the decision of the Australian Industrial Relations Commission this year in its 2005 safety net review. That minimum wage is some \$12.75 an hour, a long way from the \$3 or \$4 that the honourable member was quoting. I am not sure whether the honourable member had done the research herself or the Manager of Opposition Business just passed her the question, but the reality is that the matters that she set out in her question are basically

wrong. If one looks at the situation of sole parents, this government unashamedly says to any person who is on welfare that the best form of welfare that we can provide, that we can encourage them to have, is a job. The best form of welfare is a job.

Ms Plibersek—Mr Speaker, I rise on a point of order. These are NATSEM figures. The Prime Minister says that NATSEM is a body to be trusted.

The SPEAKER—The member for Sydney will raise a point of order, not debate the issue. The member for Sydney has already been warned. I suggest that if she wants to take a point of order, she takes a point of order; she does not debate the question.

Mrs Irwin—The member for Sydney is telling the truth, Mr Speaker!

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

Mr ANDREWS—The best form of welfare is a job. The government is unashamed in its commitment to encouraging as many Australians who are capable of working to get a job. If one looks at the situation of a sole parent—

Ms Burke—Beggars can't be choosers, can they!

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

Mr ANDREWS—A sole parent in receipt of the single parenting payment now has a weekly income of \$433.13. Under these proposals that sole parent, not when the youngest child turns six but when the youngest child turns eight, will be encouraged to find a minimum of 15 hours work per week. At the minimum rate of \$12.75 per hour, combined with the income support and the family tax benefit that that parent will still retain, that parent will have a weekly income of \$487.81. So, instead of living on an income of \$433.13, that parent will be in receipt of

\$487.81—and that is at the minimum wage rate working the minimum of 15 hours.

In addition to that, the sole parent will retain the pensioner concession card, will retain their telephone allowance and will retain their pharmaceutical allowance. These are important reforms—

Mr Beazley—Mr Speaker, I rise on a point of order. I go to the point of relevance. He was asked about a take-home pay as low as \$3.88 per hour.

The SPEAKER—The Leader of the Opposition will resume his seat. The minister is in order.

Mr ANDREWS—In effect, the opposition is arguing that Australia should accept that sole parents remain on welfare benefits, on average for 12 years, with the corresponding poverty that flows from that and the corresponding detriment that flows to their children. We have a different view and we are prepared to do something about it—unlike the Leader of the Opposition, who stands for nothing.

Iraq

Mr KEENAN (2.52 pm)—My question is addressed to the Minister for Foreign Affairs. Would the minister inform the House on progress in providing a secure environment for the development of democracy in Iraq? Are there any alternative views?

Mr Wilkie—Try and tell the truth.

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

Mr DOWNER—First of all, I thank the honourable member for his question. He is a member who has very strongly supported the contribution Australia is making to the developing democracy in Iraq. The fourth rotation of the Australian Army Training Team in Iraq is in Al Muthanna province, in the south. So far they have trained around 900 members of the Iraqi Second Brigade of the

10th Division and have also provided some basic training for another 650 in Tallil. The third rotation of the training team in Iraq was in Taji, which is north of Baghdad. They trained around 1,000 Iraqis in logistics. I understand that was a huge success and that, through two advisers, it is still providing support to the Iraqi Army Services Support Institute.

The first and second of the training teams that we sent have completed their tours, during which they trained the Fourth Brigade and Eighth Brigade of the Iraq Third Division. Australians should be proud of the simply outstanding job that the Australian Army, and Australian Defence Force generally, is doing in Iraq to train the Iraqis to take responsibility for security in that country. Our objective on this side of the House is perfectly clear: to see the continuation of the democratic process and, increasingly, the capacity of the Iraqi security forces to take control of security in their own country. When those jobs have been completed, the transformation of Iraq from a brutal and cruel dictatorship to a liberal democracy will be great news not just for the people of Iraq but for the Middle East. Through the Middle East there will be an emerging trend towards democracy, and that emerging trend will contribute to greater peace in that very troubled region.

It is a simple point: we are very proud of the role—and it has been in controversial circumstances—that the government has played in helping to make this possible. It has held Australia in good stead around the world. To have adopted the position of the Leader of the Opposition, and the opposition more generally, would have meant simply to have allowed Saddam Hussein to remain in place, which would not have been in the best interests of the Iraqi people, the Middle East or Australia.

Illegal Fishing

Mr KATTER (2.56 pm)—My question without notice is to the Minister representing the Minister for Defence. Could the minister confirm media reports and departmental comments that over 8,000 foreign vessels have been sighted in Australian waters but only 208 of these vessels have been apprehended? Further, would the minister not agree that a problem exists for Darwin and Cairns based patrol boats, which have to protect an 8,000-kilometre coastline? Current arrangements are that Customs, through Coastwatch, are responsible for policing but they have no apprehension capability, whilst the Navy has the apprehension capability but has no policing power. Would the minister not agree that a unified command system in defence and home security and the tripling of boats based in Karratha, Gove, Karumba and Thursday Island would be the approach of a government serious about quarantine, conservation, people-smuggling and terrorism?

Mr DOWNER—First, I thank the honourable member for his question and his interest. I will begin by agreeing with the honourable member that we are concerned about illegal fishing. This is certainly a growing problem, as the honourable member said. I cannot confirm precisely the statistics but it has been a problem for a very long time. It is an increasing problem, I am advised, because of the very high prices Indonesian fishermen are able to get for shark fins. It is the case that some of the owners of the fishing boats—by the way, they are not necessarily Indonesian—including in our territorial waters, are prepared to take risks.

The honourable member makes a point about the dimensions and the number of patrol boats you might have to devote to an area so great. You could never provide enough patrol boats to cover every single possible incursion by any imaginable fishing

boat. It would simply be impossible to do. It seems to us that by far the best approach is the approach that we are taking now, which is to ensure that the Indonesian government and the Indonesian fishing industry understand—and they are not just Indonesian fishermen—the risks, the dangers and the offences involved.

We conducted two operations—Operation Clear Water 1 and 2—in April and October this year, which focused on protecting our northern waters. Indonesian officers from the fisheries and customs ministries participated in the first of those operations, but they were not available to participate in the second. The government is also using options to securely and safely detain illegal foreign fishermen, including—but not exclusively—Indonesians. Further work is going on with refurbishing the land based facility in Darwin.

In August of this year—just two or three months ago—Australian and Indonesian officials held a major bilateral fishing meeting in Jakarta at which they discussed a wide range of issues and agreed upon a work program to expand and deepen fisheries and marine resources cooperation.

Opposition members interjecting—

The SPEAKER—Order!

Mr DOWNER—The opposition interject. They know nothing of these issues and have no interest in them; they have never asked a single question in 9½ years of opposition. It is left to an Independent member of the House of Representatives from Queensland to ask that question. It is a good question and I appreciate the honourable member's interest.

Private Health Insurance

Mr WOOD (3.00 pm)—My question is addressed to the Minister for Health and Ageing. Would the minister inform the

House of the government's latest improvements to private health insurance? How is the government committed to strengthening the private health system? Is the minister aware of any alternative policies?

Mr ABBOTT—I thank the member for La Trobe for his question, and I can assure him that support for health insurance by the coalition parties has been one of the great constants of Australian politics. The private health insurance rebate has been one of the signature policies of the Howard government and, thanks largely to the private health insurance rebate, almost nine million Australians have access to the security and choice that private health insurance brings, including more than one million Australians with incomes of less than \$20,000 a year.

Today, as a further sign of the government's support for the private health sector, we announced a strengthened mediation role for the Private Health Insurance Ombudsman, who will be given the same powers in respect of private hospitals that he currently has in respect of private funds. This government understands that you cannot have a strong Medicare system without also having a strong private health sector.

The government understands that; I am afraid that understanding is not universal in this parliament. I have been reading a very interesting book recently. It mostly deals with the toxic culture of the Australian Labor Party, but it also deals with private health insurance. I say to members opposite: do not be scared of reading *The Latham Diaries*. Do not put *The Latham Diaries* on the index of prohibited books. Do not be frightened of reading it. Members opposite will find on page 129 this entry from 22 February 2000:

... Michael Costello—

that is to say, the Leader of the Opposition's chief of staff—

told me it—

the private health insurance rebate—

would be one of the first things abolished in our promises ... At different times Beazley has boasted to Caucus that it will go.

I would also commend page 408 of *The Latham Diaries*, the entry from 13 January this year, where Mr Latham said of the second coming of the Leader of the Opposition:

He'll be worse than ever, of course: good for nothing, stand for nothing.

Of course, the member for Lalor says, 'People should pay attention to the truths in this book.'

Oil for Food Program

Mr RUDD (3.03 pm)—My question is to the Minister for Trade. I refer to allegations raised in a letter to then US Secretary of State, Colin Powell, released publicly on 5 June 2003, which raised concerns about the Australian Wheat Board's contract with Saddam Hussein's regime. I also refer to the minister's public response to that letter on 6 June 2003:

I have asked my department to pass on to the US Embassy that we are deeply disturbed by these ludicrous allegations and have asked them to convey to the Secretary of State our concerns.

Minister, why did you mislead parliament yesterday when you said that the first time you heard allegations about whether the Wheat Board's contracts with Iraq were in violation of US sanctions was in the Volcker report when in fact 2½ years ago allegations were being raised publicly with the US Secretary of State—allegations which you blithely dismissed out of hand?

The SPEAKER—Order! Before I ask the minister to reply to that question, I will ask the member for Griffith to rephrase it. Part of that question could only be used as part of a substantive motion. The member was reflecting on the minister. I would ask him to rephrase that question.

Mr McMullan—Mr Speaker, I rise on a point of order: the standing orders and *House of Representatives Practice* clearly say that you cannot accuse someone of deliberately misleading the House other than on substantive motion, but the question of misleading is not covered by that standing order or that procedure and has been consistently used on both sides—

The SPEAKER—The member for Fraser will resume his seat. The member for Fraser on a second point of order?

Mr McMullan—I am trying to clarify this one, Mr Speaker.

The SPEAKER—The member for Fraser will be well aware that the chair is not bound to hear the end of a point of order when the member has made clear what it is.

Mr McMullan—But it is very hard to understand it without knowing it all, Mr Speaker.

The SPEAKER—The member for Fraser will not reflect of the chair, but I will hear him further.

Mr McMullan—I am saying that the term ‘mislead’ has been consistently used by government ministers and the opposition, quite properly and consistently—and for 100 years—and it has never been said that that is something that could only be dealt with by substantive motion.

The SPEAKER—The member for Griffith will rephrase his question. That was a very specific reference to the minister. It was not a general reference, as has been suggested. The member for Griffith will rephrase that question.

Mr RUDD—In deference to you, Mr Speaker, the last part of my question reads: did the minister mislead parliament yesterday when he said the first time he heard allegations about whether the Australian Wheat Board’s contracts with Iraq were in violation

of US sanctions was in the Volcker report when in fact 2½ years ago allegations were being raised publicly with the US Secretary of State—allegations that you simply dismissed out of hand at that time?

Mr VAILE—I did not mislead the House yesterday. The member for Griffith’s question referred to the so-called kickbacks to Saddam Hussein, not Iraq. Let us just make it very clear. I also referred in my answer to the responses that the Minister for Foreign Affairs had given on this issue. Let us make it very clear. Yesterday you were talking about ALEA. ALEA surfaced as a result of the Volcker inquiry. Today you were asking questions about allegations of inflated prices in 2003.

Mr Rudd—Mr Speaker, I rise on a point of order on relevance. The question purely goes to the minister’s personal knowledge of these matters. What is contained in this—

The SPEAKER—The member will resume his seat. The minister has just begun to answer this question.

Mr VAILE—With regard to the issue raised by the member of the allegations in 2003—and that is all they were found to be—I do recall a number of public comments being made about those allegations in 2003.

Mr Rudd—Mr Speaker—

An honourable member—This is frivolous.

Mr Rudd—It is not frivolous; it is relevant.

The SPEAKER—Does the member for Griffith wish to raise a point of order?

Mr Rudd—Yes, Mr Speaker—again, on relevance. The minister was asked about allegations contained in this correspondence with the US Secretary of State which deals specifically with the Australian Wheat Board and payments to Saddam Hussein’s family.

The SPEAKER—The minister is in order.

Mr VAILE—A number of public comments were made with regard to and in response to the allegations that the member for Griffith is referring to in 2003. I am just about to answer the question with regard to my knowledge of those. As I indicated earlier, I recollect being made aware of public comments made by AWB in response to allegations by the US Wheat Associates, commercial competitors of the AWB in this marketplace. A number of press releases were issued during the course of that debate by different people involved in this debate and by the AWB themselves. Comments were made by the government but there was also a comment, a joint press release, made by Senator Kerry O'Brien and Craig Emerson. Kerry O'Brien was then the shadow minister for primary industries; Craig Emerson was the shadow minister for innovation, industry and trade.

Mr Beazley—Mr Speaker, I rise on a point of order on relevance. This is actually very serious, because \$300 million worth of Australian money has gone into the back kick of the insurgencies, and he has been asked a very explicit question on what he has had to say about former Secretary of State Powell's allegations.

The SPEAKER—The Deputy Prime Minister is coming to the question.

Mr VAILE—I have indicated my knowledge of that, but I am also highlighting the knowledge of others who made public comments at the time with regard to this and about the allegations that were made at the time. In the press release issued by Kerry O'Brien and Craig Emerson, they say:

US Wheat Associates must be asked to substantiate its claims.

Mr Beazley—Mr Speaker, I rise on a point of order. They get away with this far

too much. This has nothing to do with the question that they were asked.

The SPEAKER—The Minister for Trade is in order.

Mr VAILE—The point is very clear here. This was a matter that was out in the public arena. The whole country knew about it; it was being discussed publicly. That is how I knew about it—and everybody else, including Senator O'Brien and Craig Emerson. They went on to say in this press release:

In the absence of evidence to support the allegations, Australian wheat growers are entitled to dismiss the claims as an attempt to promote the sale of US subsidised wheat in the Iraq market.

That was the attitude taken by quite a number of people, including the Australian government.

Mr Downer interjecting—

Social Welfare

Mr ROBB (3.12 pm)—My question is addressed to the Minister for Human Services. Would the minister update the House on how the government is ensuring people receive their correct entitlements?

Ms Gillard—Mr Speaker, I rise on a point of order. The Minister for Foreign Affairs made a grossly offensive, unparliamentary remark, and I require you to get him to withdraw it.

The SPEAKER—If the Minister for Foreign Affairs made an offensive remark, he will withdraw it. The minister will come to the dispatch box.

Mr Downer—I do not know what I said, Mr Speaker, but I withdraw.

The SPEAKER—The member for Goldstein will repeat his question.

Mr ROBB—My question is addressed to the Minister for—

Mr Downer interjecting—

Ms Gillard—Mr Speaker, I rise on a point of order. The Minister for Foreign Affairs has resumed his seat and, I believe, has just repeated the grossly offensive remark. I require you to get him to withdraw it.

Mr Abbott—Mr Speaker, on the point of order: my understanding is that the Minister for Foreign Affairs said that they are on Saddam's side. What is so offensive about that, Mr Speaker? That is an accurate description of the effect of the opposition—

The SPEAKER—The Leader of the House will resume his seat.

Mr Crean—You bankrolled him.

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

Mr Snowden interjecting—

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

The member for Lingiari then left the chamber.

Ms Gillard—Mr Speaker, I rise on a point of order. It would be obvious to you that, in repeating that remark, the Leader of the House was trying to inflame the situation here. It is clearly a grossly unparliamentary remark. If you do not require that remark to be withdrawn then anything goes. Hitler's mates—

The SPEAKER—The Manager of Opposition Business will resume her seat and I will rule on the point of order. I repeat: if the Minister for Foreign Affairs made an offensive remark, he will withdraw it.

Mr Downer—I withdraw it.

Mr Abbott—In anticipation of the point of order, I also withdraw.

The SPEAKER—The Leader of the House has also withdrawn.

Ms Gillard interjecting—

The SPEAKER—I remind the Manager of Opposition Business that I repeated the fact that the Leader of the House had withdrawn. The member for Goldstein will repeat his question.

Mr ROBB—My question is addressed to the Minister for Human Services. Would the minister update the House on how the government is ensuring people receive their correct entitlements?

Ms Gillard interjecting—

The SPEAKER—The Manager of Opposition Business is warned!

Opposition members interjecting—

Mr HOCKEY—I thank the member for Goldstein for his question. I thought I might not get the opportunity to answer it. It is a very good question. Every year Australia spends \$82 billion on welfare. It is a very generous act on the part of Australian taxpayers and it represents nearly 10 per cent of Australia's GDP: thank you, Treasurer. Fraud is a significant part of the framework. It is vitally important that we attack fraud to defend the interests of the Australian taxpayer. Last year, in response to 55,000 tip-offs, 3,500 Australians were prosecuted for welfare fraud. It is unfortunate, but it is very important for the protection of the taxpayer that we undertake those prosecutions. Cracking down on welfare fraud saves Australian taxpayers \$4,000 every minute.

In the last 12 weeks, as a result of our campaign called Support the System that Supports You, 27,000 Australians have updated their incomes or changed the information held by Centrelink, and we have had a further 9,000 tip-offs. This is a very important part of our program of trying to ensure that those people who are entitled to welfare receive the welfare and that those who are not entitled to welfare are either prosecuted for fraud or have their circumstances

changed to make sure that they only receive the money they are entitled to.

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

QUESTIONS TO THE SPEAKER

National Security

Mr TUCKEY (3.18 pm)—Mr Speaker, in the light of the opposition's question strategy today, could you please confirm to me that a major terrorist related event actually occurred in Australia yesterday?

The SPEAKER—I do not believe that question warrants an answer.

Uniform Summertime

Mr EDWARDS (3.19 pm)—Mr Speaker, are you aware that the President of the Senate has written to the PM, urging him to impose summertime uniformity across Australia by using constitutional powers? Mr Speaker, were you consulted on this move by the President of the Senate; and, as Presiding Officer in this House, do you support his actions? Finally, Mr Speaker, are you aware that any move to impose uniform summertime across Australia is likely to be strongly rejected by states like WA which have opted not to adopt daylight saving?

The SPEAKER—I thank the member for Cowan for his question. I am not aware of the first matter he raised, and I am aware of the last point that he raised.

Questions in Writing

Mr MURPHY (3.20 pm)—On 23 May this year, I put two questions on the *Notice Paper* to the Prime Minister and the Minister for Veterans' Affairs, relating to a possible entitlement to the gold card for British Commonwealth Occupation Forces members who served in Japan after 29 October 1945. Yesterday, I received a reply through the Table Office from the Minister for Veterans' Affairs, saying:

Please refer to the answer provided to question No. 1404, asked of the Prime Minister.

That was the same question I put on the *Notice Paper* on 23 May 2005. Curiously, Minister Kelly approved the reply of the Prime Minister and signed it and dated it on 7 November 2005.

On today's *Notice Paper*, question No. 1404—that question that I put to the Prime Minister—is still listed as unanswered. I contacted the Table Office shortly before question time, and it was clear from the response of the Table Office that the reply from the Prime Minister to that question has not been received by the Table Office. I ask you, Mr Speaker, to write to the minister to seek clarification for that anomaly, because Minister Kelly has approved the Prime Minister's reply and I have not been provided with a reply to that question which dates back to 23 May 2005. My constituent is still anxiously awaiting an answer.

The SPEAKER—I thank the member for Lowe. I will investigate that further and report back as appropriate.

Questions in Writing

Ms GRIERSON (3.22 pm)—Mr Speaker, I ask that you again write to the Treasurer, seeking an answer to my question No. 703 about missing laptops in the ATO, which I placed on the *Notice Paper* on 7 March 2005 and about which I made a similar request to you in August.

The SPEAKER—I thank the member for Newcastle. I will follow up her request.

DOCUMENTS

Mr ABBOTT (Warringah—Leader of the House) (3.22 pm)—Documents are tabled as listed in the schedule circulated to honourable members. Details of the documents will be recorded in the *Votes and Proceedings*.

MATTERS OF PUBLIC IMPORTANCE**Australian Wheat Board**

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

The Government's culpable negligence in allowing the Australian Wheat Board to pay nearly \$300 million to Saddam Hussein in violation of UN sanctions.

I call upon those members who approve of the proposed discussion to rise in their places.

More than the number of members required by the standing orders having risen in their places—

Mr RUDD (Griffith) (3.23 pm)—The case I advance to the parliament, the people and the press gallery today is, I think, the most serious I have ever had to advance in this parliament. It is that, at a minimum, the Howard government is guilty of culpable negligence in approving a commercial arrangement between the Australian Wheat Board and an Iraqi intermediary which resulted in \$300 million being paid to Saddam Hussein in total violation of UN sanctions.

I ask the parliament and the press gallery to contemplate the sheer dimensions of this. The Volcker inquiry in the United States, at the request of the UN Secretary-General, investigated a total of 2,200 corporations worldwide engaged in a kickback scheme with the Iraqi dictator. Volcker calculates that these 2,200 corporations altogether contributed some \$2 billion to Saddam Hussein by way of kickbacks. The staggering fact is this: out of that \$2 billion, the Australian Wheat Board, in an arrangement sanctioned by the Australian government, explicitly contributed \$300 million of that \$2 billion—the world record. Of the 2,200 corporations, the Australian Wheat Board was the largest sin-

gle contributor, having contributed some 14 per cent of the total. It is the sort of gold medal Australians never want to win.

What we have to do today in this parliament is to begin the process of getting to the truth of all this. How did this come about? The people of Australia actually want to know how this happened. This is a scandal of such monumental proportions. What I wish to do today, without recourse to hyperbole, without recourse to any extravagance, is just to put all of this into factual context. Let us go back to the beginning. We have the first Iraq war and we have UN Security Council resolution 661, which requires that all UN member states have to ensure that their nationals and their national corporations do not allow the sanctions regime against Iraq to be broken by payments being made to Saddam Hussein's regime—an obligation on nation states. At this point, the government's primary defence in this whole exercise falls over, because the UN Security Council resolution is very clear: the responsibility lies with national governments—in this case, the Australian government.

The oil for food program was then established in 1996 under a separate UN Security Council resolution—resolution 986. It sought to alleviate humanitarian suffering in Iraq by allowing Iraq to export oil, to earn money from it and to stick it in a UN-controlled bank account run by BNP. Therefore, when countries negotiated food or medical supply contracts with Iraq, they were paid directly out of that UN-controlled bank account in New York. That was the oil for food program.

Critically, in achieving approval for each contract, there is first and foremost a role for national governments. If there is any doubt on this score, the Minister for Foreign Affairs last week, in a rare outburst of candour, admitted that fact. He said the job of DFAT was

to examine each proposed contract from the Australian Wheat Board and ensure there was no infringement of the Iraq sanctions regime. After that, the contracts went from the Australian government to the Office of the Iraq Program in the United Nations in New York, where they were in turn approved. Then the contracts were issued, the export permits were granted to the Australian Wheat Board and the money was paid. That is how it was supposed to work.

There are two critical decision-making points—the Australian government and the United Nations Office of the Iraq Program. It is critical that we focus on that. In fact, a contract would pass through the Australian government's hands on each occasion at least four times—into and out of DFAT in Canberra and into and out of DFAT in New York—and we still do not know how many other Australian government agencies were engaged in the deliberative process relating to each of the 43 Wheat Board contracts over this period. What happened then? There was another instrumentality involved here as well—and my colleague the member for Corio will focus on this—and that was the Wheat Export Authority, a federal government statutory authority.

Mr McGauran interjecting—

Mr RUDD—You protest too much, my friend! The Wheat Export Authority has a statutory responsibility to examine each export contract by the Wheat Board and, on top of that, to disaggregate the cost of wheat from other non-cost items—namely, freight and insurance—in order to compare one contract for wheat against another. My colleague will return to this point very soon.

In 1999 the Australian Wheat Board began negotiations with a front company in Jordan called Alia. It was supposed to provide internal transport services in Iraq for Australian wheat. In fact, it was a front company for the

Iraqi regime. The key question alive in this entire debate is: did the Australian Wheat Board have any knowledge that this company, Alia, was directly connected with the Iraq regime and, therefore, funnelling money to them? It might have got through passing scrutiny but, if Iraq's grains council asked the Australian Wheat Board specifically to engage this company called Alia, a few bells might have started ringing in the belltower. But we will get to that as this whole saga unfolds.

This was how it started in 1999. As a result of this deal with Alia, guess what? The freight cost for wheat suddenly escalated from \$10 per metric tonne to \$56 per metric tonne. Again, you would think the bells would start to ring, because guess what happened? This company became the exclusive vehicle through which \$300 million landed in the back pocket of—guess who—Saddam Hussein, the foreign minister's second-best friend. That is where the money went to—ultimately to help the Iraqi insurgency.

Roll the clock on to January 2000. This is a critical juncture in the debate again, because the Canadian Wheat Board gets wind of what is going on. They roll into the United Nations Office of the Iraq Program and say, 'We've heard the Australian Wheat Board is up to no good. They may be using Jordanian bank accounts to fund internal transport arrangements with Iraq, in turn funnelling money back to the Iraqi regime.' Guess what happened? The United Nations took this so seriously that they called in the Australian government's representative in New York. They, in turn, sent a cable back to this minister's government here in Canberra. I am sure it was distributed to his ministerial office as well. Then what did they do? They called in the Wheat Board and said, 'I say, chaps, is there any truth in this?' Guess what the Wheat Board said? They said, 'Of course not.' They denied it. Then, despite the matter

having been raised formally and directly by the United Nations in New York, they simply let it go through to the Prime Minister's famous—almost infamous—keeper. That was January 2000.

Roll the clock along to July 2000. In July the United Nations Office for Legal Affairs were approached by another UN contractor—not the Wheat Board—and asked specifically about this company called Alia. The question, basically, was, 'Is it smelly?' Guess what the UN Office for Legal Affairs said? They said: 'It stinks to high heaven. It is funnelling money back to guess who in Baghdad.' Through this whole process did the Australian government ever bother consulting the UN Office for Legal Affairs? It does not seem so—at least we do not yet know that it did. But that is the answer we know the UN gave to another contractor.

Roll the clock on one more step. This is critical. Guess what happened in October-November 2000? The Australian Wheat Board wrote a letter to the Department of Foreign Affairs and Trade, saying: 'We are entering into commercial arrangements with Jordanian trucking companies for internal transport of Australian wheat within Iraq. Any problems?' Three days later a letter came back from the Department of Foreign Affairs and Trade, saying, 'Bob's your uncle,'—or, as it may be, 'Saddam's your uncle,'—'off you go.' The money started flowing through.

The key question is: what due diligence did you blokes get involved in when it came to that whole process of a three-day turnaround for a total green light to a regime which became the vehicle through which Saddam Hussein obtained \$A300 million—off the back of that letter of authority. This is despite the fact that in January that year, nine months before, the Canadians and the UN raised this matter with the self-same Aus-

tralian government, saying, 'Is there anything smelly going on here, Comrades?' and they said, 'No,' on the basis of a nod and a wink from the Australian Wheat Board.

Roll on to September 2002, when we had the trade minister, Mark Vaile, publicly boasting of his role in facilitating Australian companies' accessing the oil for food program. Then, still in 2002, to round out a very big year, we had this document, which I reveal for the first time in the parliament. It is a document put out by the United States General Accounting Office and it is entitled 'Weapons of Mass Destruction: U.N. Confronts Significant Challenges in Implementing Sanctions against Iraq.' The date on it is May 2002. It is worth a read. A few pages in, it says this:

Although the oil for food program controls most of Iraq's oil revenues in an escrow account ... we conservatively estimate that Iraq has illegally earned some \$2.3 billion in illegal surcharges on oil and commissions from its commodity contracts.

This was put out in May 2002, when the whole rort was unfolding and being implemented. The document goes on to say:

... the Iraqi government has been levying a surcharge against oil purchases and commissions against commodity suppliers participating in the oil for food program. We estimate Iraq earned more than \$700 million in 2001 using these illegal practices.

This is a public document in the United States. The government has an embassy over there that is full of squillions of Australian diplomats. I have been there a few times myself. Did you guys never turn up this document? It was in the United States Congress, and yet you simply ignored this fact right through 2002, when you were building up the case to go to war against Saddam Hussein.

Let us come to the specific charges we require you to answer. Charge No. 1 is that the

Foreign Minister and the trade minister and their departments were culpably negligent in taking every reasonable care and precaution to prevent the AWB from breaching UN sanctions to Iraq in order for this \$300 million to be paid across. Charge No. 2 is that the Foreign Minister and the trade minister were culpably negligent in ignoring the warnings by the UN back in January 2000 when the UN Office of the Iraq Program raised specific concerns about the Australian Wheat Board. Charge No. 3 is that the Foreign Minister and the trade minister were culpably negligent in October-November 2000 in providing an unqualified green light to the AWB's proposal to use Jordanian companies to provide internal transport, despite UN warnings nine months before. Charge No. 4 is that the government, corporately, was culpably negligent in ignoring the sudden increase in freight prices for AWB wheat contracts. The government's authority, the WEA—as I have said before to the Minister for Agriculture, Fisheries and Forestry, who is at the table—confirmed in estimates this week that they, in examining these contracts, separated out the freight component and the cost of wheat component. If the WEA, which under statute is responsible for advice to the government on the performance of the Wheat Board, did that at that time, what were you doing, Muggins, when that information was provided to you and your predecessor?

The DEPUTY SPEAKER—The member for Griffith will withdraw that comment.

Mr RUDD—I withdraw that, Mr Deputy Speaker. When the cost of the freight component increased, rising from \$10 per metric tonne to \$56 per metric tonne, some bells must have gone off. Charge No. 5 is that the government was culpably negligent in ignoring the substance of the US General Audit Office's report of May 2000, while the AWB report was in full swing, and Saddam was sing-

ing all the way to the bank. The Audit Office reported that in the previous year alone \$700 million had been paid across to Saddam Hussein off the back of commissions to the regime coming off commodity exporters to Iraq. Any government seriously committed to adherence to the UN sanctions regime against Iraq would have listened to each and every one of those five warning bells, signalled by every element of administration in the United States, in the United Nations and through the Canadian Wheat Board. But they chose not to listen.

The purpose of our investigations in this place is to try and understand why. Why did that happen? The implications are clear, Minister McGauran. The \$300 million goes on to fund an Iraqi insurgency and the Iraqis' war against Australian forces in that country in 2003. If you and the foreign minister think that is a laughing matter, I am sure that the Australian Defence Force does not think it is a laughing matter. Beyond all that again, the reputation of Australia as a wheat exporter—the reputation of the Australian Wheat Board—itself is now held up in the international spotlight in a way in which it has never been held up before.

You asked, Minister, why we want a royal commission. Because we demand to get to the bottom of this. This is the biggest scandal that we have seen in this parliament for a decade—\$300 million to the Iraqi dictator, and you simply smile and hope that it is going to go away. I tell you, Minister, we have not the slightest intention of allowing this matter to rest. We intend to expose the truth. A royal commission with full powers of investigation is the only means by which that truth shall be obtained, and we intend to press for it at every opportunity. (*Time expired*)

Mr McGAURAN (Gippsland—Minister for Agriculture, Fisheries and Forestry) (3.38

pm)—This matter of public importance started somewhat promisingly, because the member for Griffith assured the House that there would be no hype, there would be no hyperbole, as he said. That was a great relief to everybody who has to endure—indeed, suffer—the exaggeration and the confected rage of the member for Griffith. So it was with a degree of welcome that I thought we would have a sensible debate. We could examine the issues. After all, the government has announced the establishment of an inquiry. The conduct of it will shortly be announced. But, oh, no, the member for Griffith had to revert to kind.

Mr Rudd interjecting—

The DEPUTY SPEAKER (Hon. IR Causley)—The member for Griffith had 20 minutes.

Mr McGAURAN—He could not for 15 minutes possibly spare us his traditional form of address and his trademark, which is of course exaggeration and the slurring of individuals or the government collectively. So there was not going to be any hyperbole or hype, and yet he told us that this is a scandal of monumental proportions. Later he said, ‘This is the biggest scandal in 10 years.’ Of course, the terms of the MPI itself are expressed as ‘The government’s culpable negligence in allowing the Australian Wheat Board’ and so on. The member for Griffith only knows one speed, and that is to distort, to misrepresent and to exaggerate beyond the bounds of reality. The thing about the member for Griffith is that he undermines his own case. The government will have an inquiry. We do believe that there are matters to satisfy the parliament and the Australian people about.

Mr Rudd interjecting—

The DEPUTY SPEAKER—The member for Griffith!

Mr McGAURAN—But let us put this in some sort of context. The United Nations, not the Australian government, ran the oil for food program. Let us just get that perfectly clear. The United Nations ran the program. It is important also to remember, amongst all of the bluff and bluster of the member for Griffith, who cannot help himself—

Mr Rudd interjecting—

The DEPUTY SPEAKER—The member for Griffith will take notice of what the chair is saying. He had 15 minutes; he will let the minister reply.

Mr McGAURAN—that it was the United Nations, through the Security Council’s 661 sanctions committee and the United Nations Office of the Iraq Program, which was responsible for contract approvals, and not the Australian government. This is just a way, politically, to get at the government or individual ministers. The game is obvious to one and all, and the member for Griffith undermines his own case by these absurd allegations and also, if I may say so, the unsavoury slurs on the reputation of the Department of Foreign Affairs and Trade.

On 1 November this year, Mr Tony Jones on the *Lateline* program asked this question of the member for Griffith:

Are you suggesting or attempting to suggest that any government department or minister had knowledge that bribes of this nature were being paid to Saddam Hussein’s regime to facilitate this wheat deal?

Anybody with a skerrick of public responsibility or decency would have said, ‘No, there is no such evidence, but an inquiry is required in all the circumstances,’ but not the member for Griffith. Because of his own personal character, he had to leave hanging in the air the possibility that ministers had knowledge of bribes. So his answer was:

Tony, the problem we have at present is that we don’t know.

That's right—just keep throwing the mud; just let the slur hang in the air over DFAT officials and over ministers. And he had another chance to properly put the issue in context—and the issue is serious. The government fully acknowledges and recognises that, hence the need for an inquiry. A reporter asked him at a doorstep: 'Are you accusing DFAT of corruption or incompetence?' That is pretty simple: 'Are you accusing DFAT of incompetence or corruption?' And he would not say no. Of course he would not say no. Instead, in a long, wordy answer, he deliberately left the allegation of corruption against DFAT officials hanging in the air. In other words, it is the Napoleonic law—

Mr Rudd interjecting—

The DEPUTY SPEAKER—The member for Griffith is warned!

Mr McGAURAN—that you are guilty until proven innocent. He goes on to say:

... what we've got so far is a picture of total absolute negligence.

Whether it becomes worse than that remains to be seen.

So the member for Griffith has had opportunities to do the honourable thing and put this matter into context. The simple fact is that the Australian government has had no evidence that oil for food contracts executed by Australian companies resulted in illegal channelling of funds to the Iraqi government, and I believe the member for Griffith knows that. But, oh, no, this is 'the biggest scandal in 10 years'. This is a 'scandal of monumental proportions'.

It is a serious issue. An independent inquiry will shortly be announced to pursue issues, and that will have all of the capacity to properly discharge its requirements to the satisfaction of the Australian public. But, in the meantime, let us go through some of the specific allegations that the member for Griffith conjures up.

DFAT's role in the process has to be properly set out and understood. Commercial suppliers would negotiate and agree on a contract with Iraqi counterparts. DFAT was not a party to the contract. The contract would be forwarded to DFAT for submission. DFAT would examine the contract paperwork. Once satisfied that this had been properly completed and that the transaction did not appear to infringe the United Nations sanctions regime, the documentation was submitted via the Australian United Nations mission to the United Nations Office of the Iraq Program and the 661 sanctions committee in New York. United Nations customs experts in the UN Office of the Iraq Program had responsibility for evaluating the price and value of contracts. Following contract approval by the United Nations, DFAT would issue an export permit authorising the export to Iraq.

We have had the Volcker inquiry. The government cooperated fully with it and it had access to all relevant DFAT information. It found no evidence of any Australian government complicity, nor did it have any criticism of the Australian government or of DFAT in particular. So the most honourable thing for the member for Griffith to do would be to at least give DFAT the benefit of the doubt. But, no; instead, he has none too subtly implied that there may well be elements of corruption and that bribery would knowingly have been approved by government ministers or government officials. That is what the member for Griffith has, in a cowardly way, set out to imply.

Of course neither DFAT nor the government were aware of the AWB's use of Alia during the oil for food program. There was no green light for Alia. The exchange of letters by the Australian Wheat Board and DFAT in October-November 2000 that the member for Griffith places such importance on was in reference to a general inquiry on

the possible use of Jordanian transport companies. I am advised that the exchange contained no mention of Alia or any other specific company. I am further advised, in regard to the earlier allegations in about January 2000, that the United Nations query about the Canadian allegations was, as far as I am aware, resolved to the satisfaction of the United Nations. The United Nations legal advice of June 2000 was internal and was not passed on to the Australian United Nations mission.

It is obvious that there were shocking shortcomings in the United Nations administration of the oil for food program. This is a serious issue, and the government is taking it seriously. The inquiry that the Prime Minister has foreshadowed will examine whether any breach of Australian law by companies named in the Volcker report occurred. But it is quite outrageous and unsustainable to suggest that DFAT officials were corrupt.

With regard to the issue of the spike in transport costs, I am advised that inland transportation costs were not mentioned in the Australian Wheat Board contracts from early 2000 onwards, when the Volcker inquiry alleges transportation costs increased significantly. The government therefore had no visibility of the spike in transportation costs.

The United Nations raised allegations of possible irregularities, made by Canada, with Australia's United Nations mission in January 2000. I want to return to and emphasise this point: I understand that, following discussions between the United Nations and Australia's United Nations mission and the provision by the AWB of contract terms and conditions and information, the matter was apparently resolved to the satisfaction of the United Nations. No evidence was offered in support of the Canadian allegations, and the

Australian Wheat Board categorically denied them.

The supposed forensic and detailed case made by the member for Griffith, stripped of his usual hyperbole, exaggeration and hype—as he claimed; but none of us witnessed it—falls to ground. He simply does not substantiate his wildest accusations. I do stress, however, that there is to be an inquiry. But, until the inquiry conducts its business and takes into account any issues or submissions, I believe that the member for Griffith should hold his fire, instead of accusing the government of knowingly and willingly overseeing payments in breach of the United Nations oil for food program. Why doesn't the member for Griffith have the personal integrity to hold such judgments in abeyance?

I ask the member for Griffith: what do you think this is doing to your and the opposition's reputation in DFAT? I suppose that is of no concern to him, and nor should it be if he is pursuing an issue legitimately and in the public interest. But to accuse a government and individual ministers of culpable negligence in supporting Saddam Hussein's regime is over the top. That will always be the fatal weakness of the member for Griffith; he will always go that bridge too far.

The member for Griffith has foreshadowed that my opposite number will deal with the issue of the Wheat Export Authority. The member for Griffith gave us a sampling of the line of attack that the member for Corio will adopt, saying that the Wheat Export Authority actually had the legislative power and the duty and responsibility to discover these payments to Alia and to conclude that they were in breach of the United Nations sanctions. This is a fundamental misunderstanding of the role of the Wheat Export Authority, and I will be very surprised if the member for Corio lives up to the billing given by

the member for Griffith. The WEA does not manage either the day-to-day commercial activities of the Australian Wheat Board or its corporate governance activities.

Mr Gavan O'Connor—We all know that.

Mr McGauran—I do not think the member for Corio does know that. It is probably the first time he has heard it. He certainly has not read the *Hansard* record of the attendance of the Chairman of the Wheat Export Authority at Senate estimates on 1 November. I have. Any matters or issues that the member for Corio wishes to put to this chamber in relation to the WEA will have been canvassed by his colleagues in the Senate and will have been answered by the chairman. I will be very interested to compare the member for Corio's dealings with, and handling of, the WEA issue with what has already preceded him. If the member for Corio goes down the route of distorting and misrepresenting and defaming the Wheat Export Authority, the growers of Australia will want to know about it.

The WEA has responsibility for monitoring and reporting on the operations of AWB (International) so as to maximise returns to growers from that body's operation of the export monopoly. Therefore, the WEA examines contracts to assess the accuracy of its reporting on the outcomes achieved by AWB(I). In other words, the WEA is to ensure that the export monopoly of the AWB(I) is serving the interests of the growers.

I understand that the WEA provided all relevant information it held to the Volcker inquiry through DFAT as requested. It cooperated fully, completely and unhesitatingly, and the WEA had no material that suggested additional scrutiny was warranted. How many times do we on this side have to stress before it is finally absorbed by the Australian Labor Party that these are matters that will

be investigated by the inquiry, as outlined by the Prime Minister?

I wish to know how the members for Griffith and Corio, before that inquiry, will justify the insults and accusations made about ministers, government officials and government departments before that inquiry. For the member for Corio: quite frankly, there is a constituency that wants this matter dealt with responsibly and calmly, as is the government's usual course. Where there are issues to be pursued and questions to be answered, they should be pursued and answered at a properly constituted inquiry of the kind that the government has announced, the full details of which will be available shortly. That is what the general public wants, as much as growers do. They do not want the Labor Party to join with international opponents in undermining their industry.

Mr GAVAN O'CONNOR (Corio) (3.53 pm)—Piece by piece, the opposition will strip away the rotting political flesh around this scandal. Minister McGauran, this is what we call in politics a very slow burn. We do not intend to let the great reputation of Australia's wheat industry and its wheat growers be sacrificed on the altar of the incompetence of the government and its agencies.

For 50 years, Iraq has been an important market for Australian wheat. Until the Prime Minister took his misguided decision to join President Bush in an invasion of Iraq, Australian wheat growers were providing an average of 2.5 million tonnes per annum to Iraq. Since the invasion, a considerable portion of Australia's traditional share of the Iraqi wheat market has been lost to our competitors in the United States. Iraq, however, remains an extremely important market for Australian wheat, and matters with the potential to impact on that market require the closest examination.

Ten days ago, the Prime Minister stood up in this place and promised the Australian people, including the Australian wheat growers, that he would establish an inquiry into the matters arising from the Volcker report on the United Nations oil for food program. We challenge the Prime Minister and the minister to set up a royal commission that would enable witnesses to gain protection when they give evidence on this scandal—do it. If the government really believes that it wants to get to the bottom of this matter, it should set up a proper judicial inquiry.

Mr McGauran—Be patient.

Mr GAVAN O'CONNOR—I will. I will listen with bated breath for the announcement that we should have had last week. Is your problem that you cannot find a chairman or that you cannot work out the terms of reference? It is always important to study the actual words of this Prime Minister very carefully. The Prime Minister is very good at using weasel words and he always finds a way of shifting the blame from the government and his ministers to somebody else. We have long learned on this side of the House that he is a wriggler; he will use wriggle words to get away from facing up to the responsibility of his government in these and other matters. On Monday last week, the Prime Minister said to the House:

... I believe that there should be an independent inquiry into whether there was any breach of Australian law by those Australian companies referred to in the Volcker report.

He wants this inquiry to focus on the companies and not on the government or any of its agencies. On this matter, Labor will not let this Prime Minister or this minister off. That is why this particular MPI uses the words 'the government's culpable negligence in allowing the Australian Wheat Board to pay nearly \$300 million to Saddam Hussein in violation of UN sanctions'.

This government has been in power for nearly 10 years now and its ministers and agencies have overseen the operation of AWB (International) and its predecessor, the Australian Wheat Board, for the whole of that time. For much of that time, one particular government agency has had quite a specific role in overseeing the operations of AWB (International), including all aspects of its trading operations in Iraq under Saddam Hussein's regime. That agency is the Wheat Export Authority.

The responsibilities and powers of the Wheat Export Authority are set out in the Wheat Marketing Act. Under that act, the Wheat Export Authority is required to control the export of wheat from Australia and to monitor the performance of AWB in relation to the export of wheat. The act gives the Wheat Export Authority the power to direct AWB to give it the evidence it needs to do its job, including any information, documents or copies of documents in the custody or under the control of AWB or a related entity. The act requires that the Wheat Export Authority keep the agriculture minister informed and it empowers the minister to issue written guidelines to the authority. The Wheat Export Authority reports on AWB's operations to wheat growers and the public through its annual growers report and its annual report, and it reports to the agriculture minister in confidential performance monitoring reports.

It is clear that the Wheat Export Authority was closely monitoring AWB's performance in the Iraq market. The Wheat Export Authority's 2004 growers report, which deals with AWB's performance during 2002-03, has a section headed Iraq. That section includes comments on AWB's role in the oil for food program and it details part of AWB's response to market problems that arose as a result of the commencement of hostilities. We know from evidence given at the recent Senate estimates hearings that the

Wheat Export Authority examined the contracts for the sale of wheat to Iraq. In addition, we know that, as far back as 1999, the WEA was concerned enough about incentives paid by AWB in markets around the world for it to employ a contractor consultant whose role, in part, was to investigate incentives—incentives that AWB offers compared to other competitors.

From evidence provided by the Wheat Export Authority during last week's estimates process, we know that this process was ongoing and that the results were passed on to the agriculture minister in annual confidential performance monitoring reports. Representatives of the WEA told the estimates committee last week that the authority examined AWB's contracts for the sale of wheat to Iraq. And we know from the Volcker report that former AWB Chairman Trevor Flugge has said in evidence that AWB's Iraq contracts included inland transport components. These are the same transport components that, according to Volcker, rose from \$10 per tonne to \$56 per tonne between 1999 and 2003.

The WEA's own performance monitoring framework is set out on its web site and it clearly says that it monitors freight costs. A 400 per cent increase in freight costs in any market should have set off alarm bells in the WEA. If the authority was doing its job properly it ought to have investigated this alarming increase in the cost of freight within Iraq and asked detailed questions of AWB. And it ought to have immediately reported details of its investigation and findings to the minister. Keep in mind that the minister at the time received confidential performance monitoring reports.

Any inquiry into this utter fiasco must have terms of reference that allow it to examine the role played by the WEA and to find out exactly what information was passed

on to the then agriculture minister. The government and its agencies cannot be allowed to slither out of the spotlight on this one and put the focus on the AWB and the wheat growers of Australia. The Wheat Export Authority had both the duty and the power to monitor these arrangements, and it had the responsibility to report on them to the agriculture minister.

Wheat growers want to know exactly what the minister and the government were told and when they were told. And it is also important that any inquiry is constituted in such a way as to give legal protection to witnesses. I have been contacted by a number of wheat growers, and organisations representing wheat growers, who want to put what they know about this scandal on the public record. And the best way to guarantee legal protection for these people—these potential witnesses—is to constitute the inquiry as a royal commission.

If the Prime Minister remains true to form we will end up with a half-baked, limited inquiry with limited terms of reference that seeks to take the heat off the government, the Prime Minister and the trade and agriculture ministers and put it back on the wheat growers of Australia and the AWB. The opposition will have none of this. Minister, this is a really slow burn.

Mr BAIRD (Cook) (4.03 pm)—I am very glad to support the minister today. Having listened to the member for Corio in that long, turgid exposition that was complicated and inexplicable, I do not understand what it was about.

Opposition members interjecting—

Mr BAIRD—I am just saying what a complicated, turgid review it was. It followed the motion before the House of the member for Griffith. The real reason for that motion was that the member for Griffith has had spotlight deprivation this week. The

roosters have had all the attention. The 'Blond ambition' article in the *Good Weekend* magazine highlighted the member for Griffith as the next leader of the Labor Party opposite. We have seen it highlighted. He needs to be up there. That is the real reason that the member for Griffith has brought this matter into the House today.

He has done his best with this—he has called it a scandal—but he is missing the spotlight this week. The opposition talk about scandals but I certainly know of one organisation that has been to the Saddam Hussein finishing school on scandals—the Labor Party, which approved and went into the Centenary House deal. This did not involve any third party, as we have in this matter with the UN. This was a direct deal done by the Labor Party. The Centenary House deal resulted in a highly inflated price and they scooped out the money on the side. So if the Volcker inquiry had looked at Centenary House it would have said, 'This is one of the worst examples of a scandal in the Saddam Hussein true tradition of rorting.' It was a \$40 million rort of the first order.

We have heard claims about the independent inquiry the Prime Minister has said he would set up into this. There is no doubt that the findings of the Volcker inquiry were significant. The amount of money that was funnelled out of this program was a disgrace. There is no need to consider it: the position of the government is that it was a disgrace. That is why the Prime Minister has set up the inquiry. The opposition says that it will simply be a whitewash of the situation.

The last time, in my memory, that the Prime Minister set up an inquiry, it was in relation to the Cornelia Rau case. The Palmer inquiry made very significant recommendations, and they were acted on. That was no whitewash. The government does not set up the bogus type of inquiries that we saw under

the previous administration. This will be a fair dinkum inquiry—the Prime Minister has announced it—and it will produce and provide answers to the allegations that have been made by the members opposite.

What are the facts? The facts are that in 1996 the oil for food program was set up by the United Nations. It was decided a subcommittee of the United Nations Security Council would administer it, so UNSCR 986 was formed and it was their job to supervise. It was not as though a subcommittee in this parliament, set up by the government and made up of government members, supervised it or as though it was to be supervised by the Minister for Trade, the Minister for Foreign Affairs or any other minister; it was to be administered and scrutinised by the United Nations Security Council subcommittee. They reviewed the contract and they reviewed continuing contracts by the Australian Wheat Board as they came up, and they gave their approval. There were complaints made about the contract, albeit from a competitor, and perhaps that is why they did not take it as seriously as they should have, but it was they who had the responsibility to call in the auditors and to do a complete review. It was not the responsibility of the ministers, it was not the responsibility of Austrade and it was not the responsibility of DFAT. It is highly insulting to officers of DFAT to accuse them of some type of rorting going on within the department itself. How insulting to DFAT officials who provide a very significant and high level of competent administration and who are doing their job.

A week ago several of us went to Baghdad. We flew into Baghdad in Black Hawk helicopters escorted by Apaches. One of the things that strikes you when you go into Baghdad is that dominating the skyline are the Saddam Hussein palaces. You have that experience when you are there. Another building is the Baath Party headquarters—it

is a bit like Sussex Street in Sydney—which dictated, dominated and ran the activities. Of course, the Labor Party claim this scandal occurred under this administration, but if it were not for this side of the House Saddam Hussein would still be running the show and Saddam Hussein would still be running his palaces which are scattered around the countryside, ripping off the wealth of the country for his mates and his own family.

The Australian Embassy is located in the former home of Uday Hussein, who was one of the sons of Saddam Hussein. It is a very large building in the green zone of Baghdad. This is what the Labor Party would have. They are now saying, ‘You allowed this to happen.’ But what did they allow to happen and continue? They were prepared to let the Saddam Hussein era go on—an era of total corruption, an era of huge human rights abuses. Saddam Hussein personally and his Baathist regime are seen as being responsible for the deaths of some 300,000 people in their own country of Iraq. We think of how many people were lost in the war with Iran and of the Scud missiles fired into Israel, and they would have allowed it to go on.

Now, in absolute hypocrisy, the Labor Party come into the House to talk about one area administered by the UN in which they are accusing this side of the House of some degree of complicity in an underhand operation. Let us get real. It is this side of the House that has removed the Saddam Hussein regime. People might say, ‘Why didn’t they just take this one person out?’ We actually went there and we listened to the Governor of Al Muthanna province, we listened to the Speaker of the House and the provisional government and we listened to parliamentarians. The Speaker said, ‘What you need to understand is the way Saddam Hussein destroyed this country from one end to the other. He took away all resources from the countryside. He neglected agriculture across

the country and he put all of the money that was coming in from the oil revenue into constructing these huge palaces. He diverted the Euphrates River to make this huge lake in front of some of the palaces in Baghdad.’ And the members opposite would want to see that regime continued.

If the Labor Party are serious about talking about the corruption of the Iraqi government, let us put it all on the table—the human rights abuses, the rorting, the gross economic dislocation of the country and what Saddam Hussein subjected the Iraqis to. The Iraqis have major problems with salinisation right across their agricultural sector, the agriculture sector has been put into disrepute and they are asking Australia for assistance in trying to put their agricultural sector back together. The Australian government has been involved in a number of grants to Iraq to assist them in rebuilding the country.

In the allegations today the Labor Party are accusing the AWB of rorting and of setting up a deal with the Saddam Hussein regime when, in fact, several things are quite clear. One is that the responsibility for monitoring this contract was that of the UN Security Council and they monitored it all the way through. Two is that the opposition did not at any time ask any questions about that. They are now saying, ‘Why didn’t you do something?’ If they are so smart, why didn’t they ask questions about it? But there was not one question in this House. Three is that it is most important to remember the Prime Minister has acknowledged the Volcker inquiry findings and has said he will set up an independent inquiry, and then we will find the real results. Let us get real. If you want to talk about rorting, look at Centenary House and at what the Labor government did to find out what real rorting is all about. (*Time expired*)

The DEPUTY SPEAKER (Hon. IR Causley)—The discussion is now concluded.

**LAW AND JUSTICE LEGISLATION
AMENDMENT (SERIOUS DRUG
OFFENCES AND OTHER MEASURES)
BILL 2005**

**COPYRIGHT AMENDMENT (FILM
DIRECTORS' RIGHTS) BILL 2005**

**CUSTOMS TARIFF AMENDMENT
(COMMONWEALTH GAMES)
BILL 2005**

Assent

Message from the Governor-General reported informing the House of assent to the bills.

**THERAPEUTIC GOODS AMENDMENT
BILL 2005**

Report from Main Committee

Bill returned from Main Committee with amendments; certified copy of the bill and schedule of amendments presented.

Ordered that this bill be considered immediately.

Main Committee's amendments—

- (1) Schedule 1, item 131, page 93 (lines 25 and 26), omit "(within the meaning of paragraph (a) of the definition of that expression)", substitute "in respect of an offence against this Act, in respect of a contravention of a civil penalty provision or in respect of both".
- (2) Schedule 1, item 131, page 93 (after line 26), at the end of the item, add:
Note: The heading to section 47 is altered by adding at the end "and civil penalty provisions".
- (3) Schedule 1, item 132, page 93 (lines 28 and 29), omit "(within the meaning of paragraph (a) of the definition of that expression)", substitute "in respect of an offence against this Act, in respect of a contravention of a civil penalty provision or in respect of both".

- (4) Schedule 1, items 133 to 135, page 93 (line 30) to page 95 (line 13), omit the items, substitute:

133 Paragraph 47(4)(b)

Omit all the words after "destruction," substitute:

or its use:

- (i) in committing, continuing or repeating an offence against this Act; or
 - (ii) in committing, continuing or repeating a contravention of a civil penalty provision;
- (5) Schedule 1, item 136, page 95 (lines 15 and 16), omit "(within the meaning of paragraph (a) of the definition of that expression)", substitute "in respect of an offence against this Act, in respect of a contravention of a civil penalty provision or in respect of both".
 - (6) Schedule 1, items 138 to 140, page 95 (line 19) to page 96 (line 30), omit the items, substitute:

138 After paragraph 48J(2)(b)

Insert:

- or (c) for the purposes of an investigation as to whether a civil penalty provision has been contravened; or
- (d) to enable evidence of a contravention of a civil penalty provision to be secured for the purposes of civil proceedings;

139 At the end of subsection 50(2)

Add "in respect of an offence against this Act, in respect of a contravention of a civil penalty provision or in respect of both".

Note: The headings to sections 50 and 51 are altered by inserting "and civil penalty provision" after "Offence".

The DEPUTY SPEAKER (Hon. IR Causley)—The question is that the amendments be agreed to.

Question agreed to.

Bill, as amended, agreed to.

Third Reading

Mr LLOYD (Robertson—Minister for Local Government, Territories and Roads) (4.15 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

AUSTRALIAN WORKPLACE SAFETY STANDARDS BILL 2005

NATIONAL OCCUPATIONAL HEALTH AND SAFETY COMMISSION (REPEAL, CONSEQUENTIAL AND TRANSITIONAL PROVISIONS) BILL 2005

Returned from the Senate

Message received from the Senate returning the bills without amendment.

DEFENCE LEGISLATION AMENDMENT BILL (No. 2) 2005

First Reading

Bill received from the Senate, and read a first time.

Ordered that the second reading be made an order of the day for the next sitting.

HIGHER EDUCATION LEGISLATION AMENDMENT (2005 BUDGET MEASURES) BILL 2005

Consideration of Senate Message

Bill returned from the Senate with amendments.

Ordered that the message be considered at the next sitting.

MIGRATION AND OMBUDSMAN LEGISLATION AMENDMENT BILL 2005

TAX LAWS AMENDMENT (SUPERANNUATION CONTRIBUTIONS SPLITTING) BILL 2005

Referred to Main Committee

Mr BARTLETT (Macquarie) (4.17 pm)—by leave—I move:

That the bills be referred to the Main Committee for consideration.

Question agreed to.

MAIN COMMITTEE

Native Title Committee

Reference

Mr BARTLETT (Macquarie) (4.17 pm)—by leave—I move:

That the following order of the day, government business, be referred to the Main Committee for debate:

Parliamentary Joint Committee on Native Title and the Aboriginal and Torres Strait Islander Land Fund—Second interim report for the section 206(d) inquiry: Indigenous land use agreements—Government response—Motion to take note of document: Resumption of debate.

Question agreed to.

COMMITTEES

Electoral Matters Committee

Report

Mr ANTHONY SMITH (Casey) (4.17 pm)—by leave—I present a corrigendum to the report of the Joint Standing Committee on Electoral Matters entitled *The 2004 federal election: report of the inquiry into the conduct of the 2004 federal election and matters related thereto*.

Public Works Committee

Report

Mrs MOYLAN (Pearce) (4.18 pm)—On behalf of the Parliamentary Standing Com-

mittee on Public Works, I present the 20th and 21st reports for 2005 of the committee relating to proposed CSIRO Minerals Laboratory extensions at Waterford, Perth, and proposed fit-out of new leased premises for AusAID at London Circuit, City, ACT.

Ordered that the reports be made parliamentary papers.

Mrs MOYLAN—I seek leave to make a short statement in connection with the reports.

Leave granted.

Mrs MOYLAN—The proposed extension of the CSIRO Minerals Laboratory at Waterford, Western Australia, is intended to provide accommodation for an additional 30 staff; provide improved amenities for staff, students, collaborators and visitors; replace existing substandard seminar and canteen facilities; redress current inadequacies in respect of storage and technical support amenities; improve efficiency and communication among staff, students and collaborators; and create safe, consolidated and accessible accommodation for research instruments. The enlarged minerals laboratory, together with developments proposed by Curtin University of Technology, will be part of a proposed new world-leading minerals research and education centre. The estimated cost of this work is \$12 million.

The CSIRO has had a minerals research capability in Perth since 1984—and, may I say, they do a fine job, as does Curtin University of Technology. The laboratory extension project was prompted chiefly by the continued increase in staff numbers at the Waterford facility, which reached full capacity in 2002 and has since relied on demountable annexes to house staff, students and support functions. The extension project will comprise the development of some 3,200 square metres of extensions and 550 square metres of alterations to existing facilities,

plus associated landscaping, site works and services upgrade.

In evidence submitted to the committee, the CSIRO stated that the proposed works would also permit future expansion at the Waterford site. Considering the rapid growth of the facility, which is due in part to Western Australia being such a major mining state, the committee wished to know when CSIRO expected there to be a requirement for further expansion and, if this requirement were already known, whether it would be more cost-effective to enlarge the scope of the current proposal. CSIRO responded that future growth would depend upon co-investment from industry, but the current proposal should satisfy requirements for the next decade. CSIRO explained that research programs can fluctuate over time, so it would be unwise to construct buildings that may stand empty for some period. In view of this, CSIRO submitted that the current proposal represents the optimum use of capital and resources.

In reviewing the work, the committee was particularly pleased to receive evidence from other minerals research bodies, all of whom welcomed the proposed extension project as the first step in the development of a world-class minerals and chemistry research and education precinct at Waterford, which will enable Australia to retain a competitive position in the global minerals industry. The committee therefore recommends that the work proceed at an estimated cost of \$12 million.

The committee's 21st report for 2005 addresses the fit-out of the new leased premises for the Australian Agency for International Development—otherwise known as AusAID—in London Circuit, City, ACT. The works will be carried out in the new building known as 'London 11' at an estimated cost of \$9.5 million. AusAID currently occupies

premises at 62 Northbourne Avenue, City, ACT, which it has leased since 1987.

The need for the proposed work has been prompted by the expiry of AusAID's present lease on 31 July 2007; ageing infrastructure and services in the current 30-year-old premises, and associated high ongoing maintenance and refurbishment costs; the inability of the current premises to meet modern standards in respect of occupational health and safety, disability access, security, building code requirements, ecological sustainability and energy efficiency, general amenity and presentation; the inflexible design and low proportion of usable floor space at the current premises; and, finally, the fact that the current leased area, 9,556 square metres, is slightly surplus to the agency's needs.

The fit-out of AusAID's new premises will include the integration of electrical, mechanical, communications, security, fire and hydraulic services into base-building works, and tenant fit-out above the base building, including reception; executive offices; workstations; meeting spaces; computer room; storage, conference and training facilities; employee amenities; and secure areas.

In scoping the proposed work, AusAID considered three options, including undertaking an extensive upgrade at its existing premises, relocating to an existing building and relocating to new purpose-built premises. The third option was preferred as an upgrade would not sufficiently address all the shortcomings of the current premises and, whilst AusAID received submissions relating to 12 existing buildings, none of the proposals satisfied its stated requirements. The committee was informed that AusAID had obtained advice from a registered valuer, a quantity surveyor, an architect and engineers to the effect that the proposed new premises represent better value for money than the other submissions received in the tender process. Fur-

ther, AusAID anticipates that its new lease will lead to substantial operational savings which will more than compensate for any rental increases.

AusAID reported that construction of the new building will commence in January 2006 and expects that both the base building and proposed fit-out works will be completed by May 2007. The committee expressed some concern at the short time frame but was assured by AusAID that the property developer has sufficient expertise to construct a commercial building. Further, AusAID's decision to carry out an integrated fit-out will result in a more efficient process. The committee was pleased to note that AusAID had taken steps to minimise its exposure to risk by including stringent penalty clauses in its agreement with the developer and through its active contingency planning processes. Having thoroughly examined all evidence put before it, the committee was happy to recommend that the fit-out works proceed at an estimated cost of \$9.5 million.

In closing, I once again acknowledge the support of my colleagues on the committee and of the secretariat, which works enormously hard—21 reports in a year; normally 10 represents a very busy year. My thanks also go to Hansard for the help they give us in the field, recording the proceedings of our public hearings. I commend the report to the House.

**WORKPLACE RELATIONS
AMENDMENT (WORK CHOICES)
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 Perth has moved as an amendment that all words after 'That' be omitted with a view to substituting other

words. The question now is that the words proposed to be omitted stand part of the question.

Mr ADAMS (Lyons) (4.26 pm)—Last week saw a vicious and unprovoked attack on the working conditions of Australians with the introduction of the Workplace Relations Amendment (Work Choices) Bill 2005. This bill has no redeeming features and attacks the fundamentals of working conditions in this country. It has particular ramifications for those people who work in the regions. I believe the people of Australia will not take kindly to these bully-boy tactics. There has been no proper reason given for this legislation. As they say, ‘If the system isn’t broke, why fix it?’ Where then is the economic reason—or any other reason—for this legislation?

In his speech the member for Wentworth was arguing classic economics to justify this bill—that labour costs have to go up and down, like everything else in the economic system. When you talk about things going up and down in this bill you are not talking about the price of spuds, wheat or roofing tiles; you are talking about the quality of people’s lives going up and down. Their ability to feed their family fluctuates as a result of the domino effect throughout the system.

The PM says that having a job is what it is all about. It is not only about having a job but about having a job with fair wages and conditions, which we on this side of the House would call the dignity of labour. The union movement has correctly identified the impact of the new workplace legislation introduced into federal parliament, which will strip away 100 years of respect for workers’ rights, remove legal protection for many employment conditions and set a whole new low for future workplace conditions of Australian workers. We have now seen the legislation. As I have observed, it has 687

pages—with an explanatory memorandum of 565 pages—which made it impossible to read before the bill was debated. But I have gathered from dipping into it that this legislation confirms all of Labor’s criticisms of the government’s plans.

Unfair dismissal rights are gone for nearly four million workers. For example, individual contracts will be able to cut take-home pay. With respect to basic conditions, the award safety net is to be removed, as is the no disadvantage test, which underpins workplace bargaining. The real value of minimum wages will be allowed to fall and workers will have no enforceable legal right to collectively bargain. This legislation tears up 100 years of the social contract in Australia. Since Federation, our industrial relations system has been built on the idea that ordinary, hardworking Australians get to participate in the benefits of economic growth and that there are protections for people when times get tough. The federal government’s laws will attack this system.

Under these laws, unions and workers can be fined \$66,000 for even asking for workers to be protected from unfair dismissal or individual contracts or for clauses that protect job security. The government is knowingly misleading the public. Australian working families who are only just keeping their heads above water will be severely impacted by these changes. Penalty rates, public holidays, overtime pay, control over the roster, shift penalties—none of these conditions will be protected by law.

Union members have been joined by the broader community, who care about decent rights and conditions in the workplace, in opposing these laws. These changes were not put before the Australian people at the last election. This is a disgrace. The first opportunity for the Australian public to demonstrate their opposition to these laws is the

national day of community protest in November. The sad thing about this legislation is that we have been inundated with advertising that is just plain deceitful, as the Prime Minister and his government have repeatedly and steadfastly refused to guarantee that Australian workers will not be worse off as a result of their changes to the industrial system.

It seems very clear that the laws will allow Australian workers to be sacked at any time, without the right to claim unfair dismissal, because of economic or technological reasons or if a business wants to restructure operations. It could be interpreted that reorganising the parking outside someone's business could be a reason to sack an employee or the whole work force. I could say we are entering a new era in industrial relations, but it is more like going backwards into the future, where there are no safeguards for the working people any more.

We have been led up the garden path by this government with dishonest promises. It makes me think back to George Orwell's *Animal Farm*. We are in the position the animals were in after the revolution—things are reverting to capital's bidding through a greedy regime wanting absolute power. It does not matter that the story was based on Stalinist Russia; the resemblance to today is quite frightening, and I think the Australian public are waking up to it.

The government is using fear tactics to get laws changed to prevent criticism. Whether from outside the country or within, those fear tactics are a good way of drawing attention away from workers' loss of rights. Remember in *Animal Farm* when the new set of rules came in? 'Four legs good, two legs better'. Exchange the 'legs' for awards and we start to see some real comparisons. There is an attempt to dumb down the work force so it is unable to assist itself against the em-

ployers, who may be very good and fair people. It seems even the government does not really trust decent employers. Just take the 'prohibited content', for example—employment conditions and allowances that are not allowed to be part of any employment agreement. But there is no description of this. The minister only has the ability to declare such content under regulation. It is too bad if the employer believes this is a fairer way to go!

Both the bill and the explanatory memorandum do not state what 'prohibitive content' might mean. Despite this, any attempt to include prohibited content in an agreement will lead to a 'civil remedy provision'. We have to ask: on whom and what? The penalty is 60 penalty units for doing so—apparently that is worth a \$33,000 fine. It is okay to spend \$55 million on an advertising campaign which purports to depict a new era of freedom of choice, but in reality the minister can intervene at any time in any agreement and strike it down. I am sure Mr Jones in *Animal Farm* would be delighted with this sort of power. Where is the deregulation and flexibility in that?

The legislation that we are struggling through—the masses and masses of pages—sets about dismantling our industrial relations system that has stood us in good stead through some pretty tough times in the last 100 years or so. What for? Where are the economic arguments to back up these more flexible arrangements? Parliament was told that there had been no advice given by Treasury on the economic benefit of this workplace reform. Here is one of the biggest changes to the way workplaces go about dealing with their work forces—and no-one has done any research into the economic effects of such changes? I think someone is telling porkies somewhere. We know that New Zealand's productivity is half that of Australia's since they went down this road. I

suggest that maybe they have found that the economy will not necessarily benefit from these changes—that they will lead to instability in the work force. Maybe capital will go looking offshore for a more compliant work force. We do not think Australians are going to accept this without a fight.

I do not believe we want to compete with India or China in the low-wages stakes. I think we can compete with those countries better if we maintain our standards and develop our training of Australian workers so that their skills are sought after all over the world and in Australia. Let them produce better goods and better services. We have many shortages in all fields. How is this legislation going to solve this?

Yet this is where we are heading—with low wages, poor conditions and occupational health and safety being disregarded. Who is going to complain about an unsafe workplace if they are on casual work and may not be picked up the next day if they complain about anything? I have seen this already apply in my own state of Tasmania.

In fact, we had a case finalised in the courts the other day where a company finally pleaded guilty to charges arising from the death of a 16-year-old boy in Launceston last year. He died from head injuries when the forklift he was driving toppled over. By pleading guilty, the company avoided a trial and therefore having to answer questions as to why the boy was on the site at the time of the accident, why he was driving the forklift that he was unauthorised to drive and had no licence for, and why the subcontractor had brought the young man in in the first place. The company knew what was going on and took no steps to stop it, to provide training for the forklift or for safety procedures around the site. The forklift was inspected after the accident. It was found to have tyres underinflated, tread missing from a tyre and

an inoperable handbrake, compromising its safe use. This sort of thing is happening without further deregulation of the workplace. What are we going to be getting into when these new laws come into being?

This government is trading safety for some mythical flexibility, which it controls anyway. I say we must resist. We must fight these changes. We must fight them in the workplaces; we must fight them in the street. We must involve families whose children will be a target of such systems, with family values being sold down the drain. We must stand up for the rights and conditions of workers, many of whom fought for us. Our mums and dads are being let down by this government. Their struggle now becomes our struggle.

We must fight and we must never give in. This is Labor's heartland under attack. We must take the stand. Many of our supporters may go to jail; many may have to fight court cases. But we have made the commitment. When Labor are re-elected, this proposed insidious system will be thrown out. Labor will ensure that it will be replaced with proper conditions and best practice and will ensure that any changes are with the full advice and consent of the union movement and other advocates.

I oppose this bill in its entirety—the whole box and dice. The bill is not a fair bill and it will not add to the prosperity and conditions of most Australians. I will not rest till it rests where it belongs. I will put it into the wastepaper basket where it belongs, to be recycled along with all the other propaganda that this government has put out to be pulped—that it has wasted in trying to justify this bill and bring it into existence. I oppose the bill. I will continue to oppose it for a long time to come.

Mr BALDWIN (Paterson) (4.41 pm)—
The heart of this debate on the Workplace

Relations Amendment (Work Choices) Bill 2005 lies in the ability of our country to build on our strong economy—to create more jobs, to build on productivity levels, to create more national wealth for both employers and employees and to secure a future for our nation that will be prosperous for everyone. As Terry McCrann wrote in the *Daily Telegraph*:

The Government's industrial relations reforms are sensible and moderate. They are the minimum necessary for Australia to survive and prosper in the 21st century.

The future prosperity of our nation is exactly why I became interested in politics to begin with. The 'light on the hill' had gone out for our nation under the previous Labor government, which left this country with a \$96 billion debt, left the economy in tatters and put unemployment into record levels.

Since 1996, this government has worked hard to reduce that debt and bring unemployment down to historically low levels. It has provided the foundation for a strong and secure economy. Unemployment in Paterson, for example, has gone from 10 per cent in March 1996 to 6.2 per cent in June 2005. But we still have much more to do. That is what the Work Choices bill is all about.

The bill contains a range of measures. It will simplify and create a national workplace relations system; create the Australian Fair Pay Commission to set and adjust minimum and award classification wages; enhance compliance with the Workplace Relations Act; enshrine in law minimum conditions of employment; create a greater emphasis on direct bargaining between employers and employees; improve regulation of industrial action while protecting the right to take lawful industrial action; retain a system of awards that will be simplified to ensure that they provide minimum safety net entitlements and protect certain award conditions

such as public holidays, rest breaks, incentive based payments and bonuses, annual leave loadings, allowances, penalty rates and shift/overtime loadings; preserve specific award conditions such as long service leave, superannuation, jury service and notice of termination for all current and new award reliant employees; and permit other award conditions such as annual leave, personal/carer leave and parental leave to apply to current and new award reliant employees if they are better than the conditions provided in the standard. It will also encourage employers and employees to resolve their disputes without the interference of third parties, by introducing a model dispute settlement procedure.

Local businesses have told me that they want these reforms and Work Choices because they will balance the rights of workers with the rights of employers. They see the current regulations as unfair and unjust. The small businesses in my electorate have put their houses and family savings on the line to build up their businesses and in turn employ people in those businesses. Many of those would only employ a small number of people, but they are the ones taking the major risks to keep their businesses running, to make them grow and to employ local people.

Creating investment opportunities and strengthening the measures that have already been put in place by this government to build a strong and secure economy is what is needed in regional areas like Paterson. We have seen enormous investment in our region—for example, at Newcastle airport Qantas subsidiary Jetstar, through its engineering infrastructure, announced earlier this year a \$29 million investment in expanding the facility. The expanded maintenance facility hangar is to support Jetstar's Airbus A320 fleet and its maintenance needs. At the time, Jetstar employed 25 apprentices out of their total of 82 employees at the airport, but that

expansion means an extra 50 jobs over five years, which include the provision of more apprentices rolled out over that period.

As a nation we need to capitalise on our existing economy by putting these reforms into place and to position ourselves to be able to be flexible and compete with other countries. Work Choices is about business and workers working together. I have an example from a Paterson resident, who has experienced negotiations with an employer first-hand. This resident worked for 34 years as a factory employee at Bankstown. In her letter, she wrote:

Allow me to voice my support here for the Government in their reform endeavours and recount what happened between my former union, the Federated Rubber Workers Union, and my 200 fellow factory workers in 1996.

We entered into wages negotiations with our employer and the company said they couldn't afford the union's demands.

The union immediately pushed for all workers to strike but the workers rejected this union demand and said they didn't want to go on strike.

Consequently the 200 employees held a meeting with no representatives of the Rubber Workers Union hierarchy present.

Two delegates representing the workers in each department were elected to negotiate directly with the employer body over wages and conditions. This move was agreed to by the company and negotiations began.

Previously under union demands each wage rise had been brought about with the threat of strike action which did not accomplish anything for the workers except loss of income and a breaking down of harmonious relationships with the bosses.

As a consequence of our elected worker involvement in our own wage negotiations, without the bevy of union heavies being involved, we the workers were threatened with court action by our own union and the company intimidated with threats of black-bans against suppliers of materials to the factory.

Black bans would have seen our production lines already under threat from overseas imports brought to a standstill with the consequence workers being stood down without pay and the factory shut down.

Regardless of the threats, negotiations went ahead and proved fruitful to both parties with rises and pay bigger than that demanded by the union and better conditions to boot.

This resulted in higher production levels and improved standards of workmanship.

As a consequence workers voted to exclude the union from any further future discussions on pay and conditions with our employer.

All conditions affecting worker safety, future wage negotiations, were dealt with directly between employee delegates and the employers management. This occurred in just about all cases in a harmonious and amicable atmosphere.

As you can see, if in 1996 two hundred workers drawn from all ethnic backgrounds could band together and tell the union stand over heavies to rack off, that we would conduct our own negotiations with management, why shouldn't nine years on this myth of union being the workers friends be laid to rest once and for all time.

This is yet another example of the unions representing the needs of the union officials and not those of the workers. It is no wonder union membership is at an all-time low level of 17 per cent. They still do not understand that it is the workers' interests they are supposed to be representing, not their own.

This legislation will replace an industrial relations system that was designed over 100 years ago with one simple national workplace relations system. It will remove red tape and the 130 different pieces of industrial legislation and over 4,000 awards currently in Australia across six states. I can give another local example of how these different awards are affecting local people. There was a letter to the editor in this month's *Medowie Murmurs* that highlighted how ambulance officers work under different awards. It said:

... in the Ambulance Service, there are Ambo's working together in the same vehicle doing exactly the same work while being paid under different awards.

Some enjoy the benefits of the Hunter award while others are under the state award. The person under the Hunter Award will receive substantially more pay: a higher loading on Saturdays and Sundays and also receives more annual leave than his/her counterpart on the State Award.

If the ACTU and the ALP were fair dinkum about equality in the workplace and workplace entitlements, they would have corrected these very unfair anomalies long ago.

Frankly, it is not surprising that the vast majority of people have decided to opt out of unions in recent years. The ALP and ACTU have lost their identities and now just resort to political tactics to try to regain their past popularity. All the ALP seems to do is protest against every change the government seeks to introduce without regard to whether it really is in the best interests of the country or the people.

The world has changed and the policies of 20 or more years ago are just not appropriate for the present global economic situation. To follow the archaic philosophies of the ALP is to take a road to economic ruin.

This is an excellent example of how working Australians doing the same job are not properly rewarded for their work under the current arrangements and it is another example of why we need to simplify into one national system. It is not just workers and employees in Paterson who see it; it is also industry groups. The Business Council of Australia says:

We believe workplace reform is a key element in maintaining the economic growth which underpins Australia's enviable standard of living.

Geoff Dixon, from Qantas, said this last month:

... we welcome the Federal Government's proposed changes to the industrial relations system. They will give established, successful companies like Qantas greater flexibility to adapt to changing market conditions. Because if we do not, be

sure that others will come in and use greenfields costs or foreign structural advantages to devastating effect. Ansett is a stark reminder of what happens to airlines that cannot change.

As I said, the Qantas subsidiary, Jetstar, based in my electorate, is extremely important. If you want to look further afield, the OECD wrote in their economic survey of Australia this year:

Further unfinished business includes harmonisation of federal and state industrial relations and the streamlining of regulations which minimise the incidence of unlawful industrial action.

In the Hunter region the Hunter Business Chamber had this to say in a media release on 2 November:

The Hunter Business Chamber welcomes the tabling of the Federal Government's new workplace relations legislation which introduces necessary reforms that will ensure workplaces in Australia continue to thrive.

It went on to say:

The legislation delivers significant improvements to existing unfair dismissal laws, draws together over time State and Federal awards and will assist in the reduction of industrial action.

The move to replace six separate systems with one national workplace system, the reforms to be made to the unfair dismissal regime and the greater flexibility this will afford within the workplace are vital for continued business growth.

Unfortunately it is a message that Labor do not want to hear or they have chosen to ignore. Very sadly, they are using the situation of the Boeing workers at Williamstown for political purposes instead of addressing real issues within our economy that are holding back future prosperity.

On the issue of the Boeing workers, it is very disappointing to see Labor and the unions using striking workers as political pawns to turn the dispute into their platform for media exposure. Yesterday both parties were before the Australian Industrial Rela-

tions Commission as a result of the AWU's application to the AIRC for a secret ballot to be taken in relation to the implementation of collective agreements for all workers. The Williamstown site currently employs 87 full-time employees out of a total Boeing work force of 400. All of these employees are on individual common-law contracts. They are located across three sites: Williamstown, Oakey and Amberley. Boeing sent all employees a letter proposing changes and improvements that recently came out of a work force focus group. These proposals were sent to all 400 employees who were on those individual contracts and asked them whether the improvements resolved the issues. They were afforded the opportunity to sign the letter to alter their existing individual contracts whilst, at the same time, the AWU was urging them not to sign the letter. The result was that 93 per cent of the work force signed up.

The work force made a very clear choice. However, 25 of those workers—all at Williamstown—did not accept those proposals and are on strike. At Williamstown, 62 out of the 87 who are currently employed choose to work under the contracts and they cross that picket line every day to attend their employment. The AIRC took submissions from both parties, Boeing and the AWU. The commission recommended that the parties use the opportunity of being at the commission to talk together about their issues. The commissioner recommended the parties arrange for talks today, and the commission facilitated those arrangements. Both parties have agreed to talk. However, I need to make it clear that this dispute has nothing to do with these reforms before the parliament today, despite the gross misinformation that has been put out by the union and Labor members opposite. From my understanding, the union wants to prove that the majority of Boeing aircraft engineers and technicians want a

collective agreement, while Boeing says that the 93 per cent of their work force chose individual contracts three months ago and that that should apply.

I sincerely hope that all parties can work together on this dispute and that the union does not use these workers to score cheap political points when, quite clearly, the reforms introduced under this bill have not been put into law so cannot impact on their current dispute. As I said earlier, these reforms are a necessary part of the framework we need to put in place to allow further growth, a flexible market place and a modern economy. They are necessary for small businesses in my electorate to prosper, and they are necessary to keep our nation on track to compete with the rest of the world. I strongly commend this bill to the House.

Ms CORCORAN (Isaacs) (4.55 pm)—This Workplace Relations Amendment (Work Choices) Bill 2005 sets out to do many things, and I will not be talking about all of them here today. The legislation goes on for something like 600 pages, and there are another 600 pages of explanatory memorandum. I want to talk about just a few of the features of this legislation but, before I address the substance of the bill, I would like to make a point about the odd name of this bill. We are getting used to this government calling things by misleading names, and this bill is no exception. To call this bill 'Work Choices' is really over the top. There will be no choice for most workers under this legislation. Employees will be asked to sign an Australian workplace agreement, which is another example of a tricky name but I will not go into that here. The reality is that most employees will be told to sign the 'agreement' or go away. The only person agreeing will be the employer—the employees will not get much choice; it will be a take-it-or-leave-it agreement.

Most people are not able to negotiate effectively with an employer or a potential employer. The power difference is one factor in this before any other matter is considered. I think that most employers are keen to be fair to their employees, but some are not. However, even the fair employers can be intimidating to a new employee, particularly young people or people moving into the work force after a time out of it for whatever reason. These people are not in a position to look after their own interests properly.

If we are dealing with an employer who is not constrained by notions of fairness, the situation is even worse. On *Lateline* recently, the Minister for Employment and Workplace Relations was asked about a situation where a worker was concerned about negotiating with his or her employer. The minister was good enough to acknowledge the point but then revealed his own remoteness from the real world by suggesting that employees were at liberty to bring their accountant along to negotiate on their behalf. I wonder just how far removed from reality are this minister and this government.

Recently in question time the Prime Minister was asked about the fairness of a situation where a young person is forced into signing an AWA that significantly reduces the conditions that normally apply to the job in question. In the example used, 'Billy' was offered an AWA which explicitly removed award conditions for public holidays, rest breaks, bonuses, annual leave loading, allowances, penalty rates and shift and overtime loadings. The Prime Minister's response was an impatient flick of the hand and the comment that Billy was better off with any job under any conditions rather than having no job at all—in other words, the Prime Minister acknowledged that Billy was being offered a job with substandard conditions.

The Prime Minister is content with the prospect that Billy, who is unemployed and who wants a job, is more or less forced into accepting this job. I do not mean necessarily that someone is physically standing over Billy, although I do not altogether dismiss the possibility, but the pressure on Billy to accept this job will be overwhelming. This sort of response from the Prime Minister confuses a number of things and indicates his arrogance in the whole IR debate. He just wants the debate to go away and for the new regime to get started. He is not particularly concerned about what it means for employees on the ground. The Prime Minister is confusing issues of employment—or the lack thereof—for individuals with decent working conditions and living standards in Australia. If these new laws allow an employer to take on someone new on different, cheaper overall rates and/or conditions from others already on the job, the pressure to move everyone on to the new, less advantageous conditions will be huge. Eventually this will happen, of course, even in the best of workplaces.

Others refer to this phenomenon as 'a race to the bottom'. It means that this government is happy to see the working conditions of Australians fall to those of some of our Third World neighbours. The Prime Minister says that this will not happen because labour is scarce at the moment and therefore employees are in a strong position to negotiate. This is clearly nonsense. There are always individuals who have unusual or unusually highly developed skills who can have a go at naming their price, but this is not so for the bulk of the working population. Australia, by and large, enjoys good and decent working conditions, but we did not get these by accident or through the good intentions of employers. These were fought for long and hard by workers and their representatives—the union movement—and we are not about to

give them away. We are not a Third World country and we do not intend to move in that direction.

The Prime Minister correctly says that we need a good, strong economy in order to continue to thrive. What he is forgetting—or maybe just ignoring—is the fact that a good work force is critical to a strong economy. If the government does not understand that we should ensure that employees have decent working conditions and a fair say in how they work just because this is the right thing to do, then he should at least understand that a strong and committed work force is necessary to ensure that the economy thrives.

The editor of *Australian Policy Online* at the Swinburne Institute for Social Research, Peter Browne, wrote an interesting piece for the *Canberra Times* today. He argues that the link the Prime Minister is trying to make between labour market regulation and employment is not convincing. He writes:

Unemployment rates are a highly unreliable indicator of the comparative health of labour markets in different countries ... they can leave out a large group of potential employees: those individuals who have dropped out of the jobless statistics altogether, switching to disability payments, for example, or living off savings.

A much more reliable measure is the proportion of the working-age population in each country who have a job. The OECD provides these figures for each of its member countries, and they give a different picture of which countries are doing well for the working population.

The OECD has also developed an index of employment protection, designed to measure “the strictness of employment protection legislation” for each of these countries.

When we match up of the two sets of figures—employment rates and the job protection index—for Australia and 16 comparable OECD countries, an interesting pattern emerges, and it doesn’t offer much support to the Government. Australia is already in the bottom half of the job protection

range ... and we’re doing moderately well on the employment scale.

He says further on:

... out of the six countries with the highest levels of employment, only one has less employment protection than Australia. Each of the other five—Switzerland, the Netherlands, Norway, Sweden and Denmark—has more protection, and sometimes significantly more, yet is performing better in terms of providing employment for its citizens.

This Work Choices bill will establish a national workplace relations system, or a unitary system. The government wants to do this because it says that the existing system is confusing and unwieldy. I agree with the principle behind this proposal—if we were setting up a brand new industrial relations system in this country, one national system would, indeed, be sensible. But the point is that we are not starting from the beginning; we are in a situation where we have a number of state and federal systems already in existence. If the government were serious about changing this aspect of our system it would be doing this in consultation with the various state governments. Instead we find ourselves in a situation where the government is issuing ultimatums to the states. The Prime Minister announced this policy proposal without letting the states know beforehand, and without any indication that he was interested in consulting with the state governments—hardly a cooperative approach to the matter. One can be forgiven for suspecting another agenda here.

It gets worse though. The government is relying on the corporations power to get a unitary system in place. This will leave out all those workplaces which are not incorporated. The government’s own estimate is that coverage will be between 75 per cent and 85 per cent. This is hardly a good way of removing complexities or confusion. It will simply add more.

The legislation will establish an independent body to be called the Fair Pay Commission. I have already talked about tricky naming habits, so I will let this example go through without comment, but there is ample material here for those who want to pick it up. This body—the Fair Pay Commission—is to be charged with the responsibility of setting and adjusting minimum and award classification wages; minimum wages for juniors, trainees/apprentices and employees with disabilities; minimum wages for piece workers; and casual loadings.

Many members on this side of the House have been asking the government to guarantee that workers/employees will not be worse off under this new Fair Pay Commission. There are three points worth making here. The first point is: why do we bother asking this government to give any commitment? What is the value of any commitment that this government gives anyway? Accepting a commitment assumes a degree of trust, which I certainly do not feel towards this government. We remember the ‘kids overboard’, we remember the never, ever GST and we remember the ‘rock-solid, ironclad’ medical costs safety net guarantee and we do not feel very reassured. The second point is the arrogant way the Prime Minister shrugs off questions about minimum wage guarantees. The Prime Minister constantly answers with the arrogant line that his record is his guarantee. This is no comfort at all—I would argue, in fact, that it is just the opposite.

The third point is, indeed, the Prime Minister’s record—the one he asks us to rely on. The Prime Minister is very fond of saying that under his government wages have increased by 12 per cent in real terms. It is true to say that they have increased by 12 per cent since 1996. But it is not accurate for the Prime Minister to claim responsibility for this—these increases have occurred despite the Prime Minister and not because of the

Prime Minister’s actions. In four of the past nine years, the Howard government has proposed a minimum wage increase less than its own inflation forecast, a result that would have delivered in effect a drop in the minimum wage in real terms on four separate occasions.

The Prime Minister is being less than honest in claiming wage rises since 1996 as his own. The first time this present government made a submission to the national safety net review was in 1997. If we look at wage increases since 1997, we see that they have increased not by 12 per cent but by 9.17 per cent in real terms. Had the Howard government’s submissions to the AIRC been accepted from 1997 through to 2005, there would have been a real reduction in the minimum wage of 1.55 per cent and not the 9.17 per cent real increase granted by the AIRC, which the Prime Minister in any event opposed.

It is with some trepidation that we rely on the government’s record as the guarantee that wages will be okay. This reliance has fallen over at the very first hurdle. The government has announced that the next minimum wage increase will be determined by the new Fair Pay Commission and that it will be done six months later than usual.

Mr Bevis—Without fairness.

Ms CORCORAN—Without fairness, I am reminded. This means that something like 1.7 million low-paid employees will have to wait at least 18 months until any pay increase from their current level will even be considered. That is an extra six months of waiting for 1.7 million working Australians and their families struggling enough to make ends meet. This is a very poor start to this new regime of industrial relations.

Another aspect of this legislation which is unacceptable is the removal of the right of an employee to apply for remedy if he or she is

unfairly dismissed. A number of small business people I have spoken to tell me that they are worried about the current unfair dismissal laws. They tell me that it is impossible to dismiss an employee or that it is too hard to fight an unfair dismissal claim. We hear about paying 'go away' money being the inevitable result of trying to dismiss an employee regardless of the rights or wrongs of the situation.

I know that, when I was in the position of hiring and firing, the existence of these laws actually helped me and the organisations I was working for. On the few occasions when I was in a position of having to consider asking someone to leave, I went through careful procedures to make sure that I was being quite fair both to the organisation and to the employee. The provisions of the unfair dismissal laws were useful in developing these procedures. By going through the process of setting out what the problem was, why it was a problem and the various ways of addressing the problem, we found that either the problem was able to be fixed or, if not, the grounds for dismissal were solid and clear. I am not saying that this made dismissing anyone easy, but at least I knew that I was being objective and fair about it.

There are some problems with the current unfair dismissal arrangements, and Labor acknowledges these and has proposed changes to address them. The changes include: requiring the Australian Industrial Relations Commission to conduct conciliation conferences at the convenience of the small business; encouraging the use of telephone conferencing to assist small businesses that have difficulty attending hearings in person; allowing the commission to order costs against applicants who pursue speculative or vexatious claims; legislating an indicative time frame within which the commission should deal with unfair dismissal applications; making better information

available to small businesses to assist them to understand their obligations about termination of unemployment; and removing contingency fees for lawyers, if not removing the lawyers altogether. The answer to the existing problems is not to remove unfair dismissal provisions. The answer is adjusting the rules to ensure the system works properly.

The government has talked about removing unfair dismissal laws for some time. Earlier legislation talked about organisations with fewer than 20 employees being exempt from unfair dismissal laws. This legislation here today moves the magic number to 100 but adds other factors which effectively means that all employees are now not covered in cases of unfair dismissal. I object to these changes, firstly, because they are inherently unfair and, secondly, because the extension of this to organisations with fewer than 100 employees was never talked about in any pre-election promise or commitment.

The Prime Minister was challenged on this point in question time recently. The member for Throsby asked the Prime Minister to point out where in the government's 1996, 1998, 2001 or 2004 election commitments was the proposal to abolish unfair dismissal rights for employees in companies of up to 100 employees. The member for Throsby went on to suggest that this proposal emerged only after the government realised it had total control of the Senate. The Prime Minister's answer was gleeful. He said:

Can I say to the member for Throsby, at my recollection of the last document, there was no reference made in either the 2004 policy or the 1996 policy to a particular number. In other words, both in 1996 and 2004 there was a reference to getting rid of them altogether.

That was a very tricky answer to a straightforward question. I would like to read out parts of a letter published in the *Business Age*

on 27 October 2005. It was written by Gary Fallon of Noble Park. Gary said:

I operate a part-time business consultancy specialising in the small and medium enterprise sector. I would like to share the views of one company that approached me to consult to it, on the proposed changes to IR.

This company stands out as an example of the way in which workers can be abused by the proposed changes.

... ..

The company is highly profitable ... and is owned by a brother and sister ... and inherited the company on the death of their father two years ago.

Despite its profitability, the company is relatively dysfunctional, with low staff morale stemming from a constant comparison of the siblings' management style with that of their late father, and a general "us and them" mentality growing between the proprietors and their staff.

The owners have signalled that when the new IR legislation is passed they will sack all 67 process workers.

... ..

The company then intends to replace the present workforce with the same number of casual employees on AWAs and pay the absolute minimum wage that they can get away with, plus the basic statutory employment conditions. The higher pay scales, permanency, penalty rates, shift loadings and other benefits now enjoyed by this company's workforce will be converted into profit (not productivity improvements) for the owners. With a degree of glee, I was told that this increase in net profit—again, not productivity—will be more than \$700,000 a year, or \$350,000 for each of the owners.

... ..

The company would list the positions with a government Job Network Provider so they could get employees (free of any recruiting charge to the company), who would be compelled to take the positions at the minimum wage level offered under the threat of the removal of their welfare payments by Centrelink.

In addition, the brother, correctly, pointed out that in the area near the plant there is a large number of households containing single mothers who will be compelled to work under the changes to single-parent mutual obligation rules. Thus, to use his reasoning, the Government's welfare reforms will deliver this company low-cost labour through compulsion.

I—

Gary—

made the observation that productivity would fall with the removal of experienced operators, only to be told that the siblings had factored this in and considered the productivity loss irrelevant because they would clear the \$700,000 additional net profit from their new workforce.

The points made by Mr Fallon are that these new laws make it very easy for unscrupulous employers to remove employees without any risk of penalty and for these employers to then replace these people with others who are more or less forced to take up jobs at much less than the current going rate. This move has nothing to do with increasing productivity; in fact, the company has factored into its sums a fall in productivity.

This legislation, being sold to us as necessary for the good of our economy, will lead, in this case, to 67 people losing their jobs, others gaining substandard employment and a fall in productivity, with an immediate increase in take-home profits for the owners—a massive short-term advantage for two people at the expense of 67 employees and a disadvantage in terms of productivity. This legislation is clearly unfair to very many people. The arguments that it will be good for our economy are less than convincing, and it will lead to a fall in the living conditions of many people. This legislation is all about the government's hatred of the union movement. It will create hardship without any offsetting benefits, and it needs to be consigned to the bin.

Mr BARTLETT (Macquarie) (5.14 pm)—The debate on the Workplace Relations Amendment (Work Choices) Bill 2005 has been marked by a very clear contrast between rhetoric and fact. On the one hand, we have had hyperbole, exaggeration and scaremongering from the Labor Party and their trade union partners. Supposedly, there will be massive job losses, wages will be slashed, working conditions will worsen, there will be widespread industrial unrest and anarchy and the very fabric of society will be threatened. These claims are almost identical to the ridiculous claims we heard in 1996 from the Labor Party and the union movement prior to the first round of industrial relations reforms. These misleading claims have been backed up by a series of union advertisements that are clearly factually incorrect and blatantly misleading.

Compare that rhetoric, scaremongering and hyperbole and those exaggerated claims with the facts. The facts are these. First of all, let us look at the record of what has been achieved since the first round of industrial relations reform under this government. We have had over 1.7 million jobs created in the last nine years, with more than half of those being full-time jobs. We have had a rise in average real income of 14.9 per cent, compared with just 1.2 per cent over Labor's 13 years. We have had a rise in minimum real wages of 10.7 per cent, compared with a fall of around five per cent over Labor's 13 years. We have had the lowest level of industrial disputation since records have been kept—around 90 years. We have had a fall in unemployment—from 8.5 per cent to 5.1 per cent. In fact, Access Economics estimated that if it had not been for the reforms that this government has introduced, unemployment probably would be about two to 2½ per cent higher than it currently is. So the record very clearly shows that the first round of industrial relations reforms delivered improved

working conditions, wages and employment prospects for the people of Australia.

The other fact that is worth considering is this: on average, people on Australian workplace agreements, those agreements introduced under the first round of reforms to introduce more flexibility, are earning 13 per cent more than people on certified agreements and 100 per cent more than people on awards. These earnings are not just restricted to one or two industries. For example, a comparison between the average total weekly earnings of people on AWAs and the earnings of those on awards indicates that the earnings of people on AWAs are 30 per cent higher in the mining industry; 68 per cent higher in manufacturing; 49 per cent higher in electricity, gas and water; 78 per cent higher in the construction industry; 126 per cent higher in the wholesale trades; 37 per cent higher in accommodation, cafes and restaurants; 40 per cent higher in the retail trade; 47 per cent higher in transport and storage; and 254 per cent higher in communications services. The fact is that right across industry, right across the different sectors in this country, people on Australian workplace agreements are earning substantially more than people in the award system. The facts stand in very clear contrast to the rhetoric and the scaremongering that we have heard right through this debate from the other side.

However, we cannot rest on our laurels. We need to continue to build on these reforms. Almost every independent economic commentator says that this is what needs to happen, that we need to take it further. The IMF, for instance, says:

... this improvement in flexibility, supported by increased competition ... and other structural reforms, has been an important contributor to Australia's excellent record of job creation and productivity growth during the past 14 years ...

... ..

... the proposed industrial relations reforms are further steps in the same direction which will improve the functioning of the labor market and help sustain Australia's strong economic performance in future ...

... ..

... the benefits of economic reforms in Australia, including improvements in the functioning of the labor market, have been substantial, and this gives a sound basis for expecting positive results from further labor market reforms.

The Reserve Bank says the industrial relations reforms so far have:

... meant that the economy can run faster without generating inflationary influences to the extent that used to be the case.

The Governor of the Reserve Bank says:

So I think there's undoubtedly value in industrial relations reform.

The World Bank, looking at evidence from around the world, says:

Heavy regulation of dismissal—

in other words, the unfair dismissal type of regime—

is associated with more unemployment ... flexible labour markets, by contrast, provide job opportunities for more people, ensuring that the best worker is found for each job. Productivity rises, as do wages and output.

So there are more jobs and higher wages with industrial relations reform. The OECD says:

To further encourage participation and favour employment, the industrial relations system also needs to be reformed so as to increase the flexibility of the labour market, reduce employment transactions costs and achieve a closer link between wages and productivity.

... ..

The Government is now in a position to address these issues and should proceed as soon as practicable.

That is exactly what we are trying to do, and if the opposition would support us we would do it even more quickly.

A number of other commentators have been looking at the legislation over the last week. An editorial in the *Australian* just last week said:

The workplace reforms are necessary to keep the economy expanding so it generates more and better paying jobs. For all their arguments about equity, advocates of the old labour system do the poor no service. Rather, they protect the 20 per cent of workers who prosper under the industrial awards system that assumes all workers and workplaces are exactly the same.

The Adelaide *Advertiser* said:

The industrial relations reforms are long overdue and this package appears to protect workers while offering much-needed flexibility, particularly for small business.

Terry McCrann, from the *Telegraph*, said:

The government's industrial relations reforms are sensible and moderate. They are the minimum necessary for Australia to survive and prosper in the 21st century.

... ..

We needed one national system 30 years ago; in the globalised world of today, sustaining overlapping federal and state systems is sheer and uniquely Australian lunacy.

We could go on. The Labour Prime Minister of the United Kingdom, Tony Blair, said:

... fairness at work starts with the chance of a job in the first place, because if we ... do not make Britain—

and the same thing applies to Australia—

a country of successful businesses, a country where people want to set up and expand, and a country that has the edge over our competitors, then we are betraying those we represent.

Could I say to the Labor Party that that is what their opposition is doing: they are betraying those they purport to represent. The best chance of a job, of higher wages and of improved living standards comes with a

strong economy with higher productivity. The first round of these reforms has already delivered those things and these reforms will continue to build on that.

There is a raft of protections built into these reforms to make sure that workers are protected. The fair pay standard and the enhanced role of the Office of Workplace Services will ensure that workers are protected. Contrary to the claims of the other side, we are not removing workers' rights, we are not cutting minimum wages, we are not removing awards, we are not allowing workers to be sacked at will, we are not removing the right to join a union, we are not outlawing union agreements and we are not taking away the right to strike. These are ridiculous claims. Rather, we are protecting the rights of workers, while at the same time introducing the flexibility that will allow increased productivity and economic growth.

The bottom line is this—and the Labor Party and anyone who is honest knows it: the evidence shows very clearly that an overly rigid, overly structured and overly regulated labour market cannot provide protection for workers. We saw this in the recession in 1990-91, the recession we supposedly had to have, in which one million workers were thrown out of work. We saw it with the reduction in minimum real wages over Labor's 13 years. A rigid, inflexible labour market cannot protect workers. The evidence around the world shows it. In France, Germany and Spain, those heavily regulated members of the OECD, unemployment is running at around 10 per cent. In countries with more flexible labour markets, such as Australia, New Zealand and Britain, unemployment is around four per cent—in Australia's case, five per cent. A heavily regulated labour market cannot protect workers. The best way to enable workers to improve their chances of a job, to achieve higher real wages and to achieve higher living standards is by freeing

up our market and increasing flexibility. Those opposite can continue to stick their heads in the sand, but the reality is that, unless we continue to encourage flexibility and improve productivity, we cannot build on the living standards we have seen in this country. These reforms are the best chance of continuing to strengthen our economy, the best chance of securing Australia's economic future and the best chance of delivering higher wages, greater job security and higher living standards to Australian workers and their families.

Mr KATTER (Kennedy) (5.22 pm)—Like all good politicians, I look at issues on the basis of how many votes you are going to win and how many votes you are going to lose. My personal feeling is that the government will probably lose on both counts with the Workplace Relations Amendment (Work Choices) Bill 2005. One would hope that most members, when they analyse these things, will decide on what is best in spite of how the votes fall. In the industrial relations system that we have enjoyed for the last 100 years, there is great unfairness for small businesses insofar as they do not really have the ability to understand all the ramifications of awards and so they get themselves into a lot of trouble. I will endeavour to move an amendment in this place that will exclude small businesses that employ fewer than 20 people from actions which will take them backwards. To illustrate what I mean, I will use an example that I noticed was used by one of the other members. It is the example of a person who is employed in a small business—a little five-employee cafe. This person gets angry with his employer over something and makes a complaint to the industrial inspector. The industrial inspector finds that for four years the person has been working for half an hour after five o'clock and should have been paid penalty rates all that time. Two of the other employees also pull the

same stunt, with the net result that the business is bankrupted, it closes its doors and seven people, including the husband and wife proprietors, lose their jobs in a small town. The desirable outcome is that we go back five weeks and pay them for those five weeks. Those people had been working for a protracted period of time under conditions which they had accepted, so that outcome is only right and proper and fair to the employer. It is not easy to move an amendment along those lines, but I will endeavour to do so.

Another issue is the right to hire and fire. It seems to me that an employer, whether we are talking about a big corporation or a little fella, really has to have an unrestricted right to hire and fire. I do not agree with the opposition that we should have a situation in which people cannot hire and fire. It is exactly the same principle as the right to withdraw your labour. The people on the government side will apply the principle that the employer has the right to hire and fire, but they will not give the same privilege and rights to the worker—an unrestricted right to withdraw their labour. Those are two areas in which I would disagree with one side and with the other side.

I have noticed that an awful lot of speakers do not understand what is happening here at all. Like some others in this place, I played rugby league for most of my life, and more recently I have been an official. What will happen with this bill will be like playing football without a referee. From my experience of playing football without a referee, I reckon someone is going to get killed—an awful lot of people get very badly damaged when you play football without a referee.

Prior to 1901, 1902 or whenever it was that the industrial arbitration commission was introduced—in Queensland it was introduced, with all its rigours, in the post 1915

era—when there was a dispute between an employee and an employer they would go out onto the grass. Then the arbitration commission came in, and it made a determination, and both sides had to accept that determination. My experience is that neither side is usually pleased, but we get on with the job and the business continues. With this bill, there will be no arbitration commission—that is being removed.

Listening to speakers on the government side, I think 90 per cent of the problem is ignorance. They really do not understand what is going on here at all. There will be a fair pay commission and it will set minimum standards. My first job was at Mount Isa Mines. I was on about double the basic wage, working as an unskilled labourer. I think I was on about \$65 a week—average weekly earnings were about \$40 a week. But the miners were on a colossal, whopping \$500. When you added the lead bonus, penalty rates, a shift allowance and a living in the west allowance, you came up with the colossal figure of \$500. Much of the Australian work force today has those kinds of arrangements. The unions or their collective action secured that extra \$450 that those miners were enjoying at my first work place. We will still have the minimum pay, the basic wage—that will be delivered by the fair pay commission—but, for anything above that, you will be in the jungle.

Mr Deputy Speaker Somlyay, I spent some of my convalescing time—you can commiserate with me, having had the same problem—writing a history book of Australia. The chapter on the modern era is called: ‘Rule of law or fang and claw?’ What you have here today is fang and claw—a reversion to the jungle. That is what is happening here today. We are playing football without a referee.

From now on, above that very low-level base of fair pay, it will be a case of the law of the jungle: you can sit out on the grass as long as you like and starve to death and when you come back with your tail between your legs the employers will pay you nothing. If it is a contest, my money is well and truly on the employers. During my time in politics, whenever something has come forward, the first question I always ask myself is: who is going to win out of this and who is going to lose? We can switch the television on any night of the week and see all the workers screeching that they are going to lose—they are saying that this is terrible—and all the employers, including the big corporations and the Business Council of Australia, trumpeting that they will do terrifically out of it. So we know who the winners and the losers are. There is not a person in this country who does not understand that.

We have heard all these great geniuses getting up in this chamber and saying how wonderful this will be for productivity. I was quite a successful businessman before I came into parliament—and for a long time after it, too. I have not had time to fool around with business over recent years, but I have been in the marketplace and I have stayed alive on my wits, my resources, my risk taking, my hard work and whatever else you need out there in the market place. Of all these people who have been giving us lectures, there may be four or five who have been successful businessmen—there probably are but I do not know one of them who has been. The vast bulk of them would not have a clue what the hell they were talking about.

In small businesses—particularly in country towns—if the worker has less pay in his pocket then there will be less money going through the till in the local clothing store. It is very simple. If there is less money going through the till in clothing stores, small business in this country will suffer—and suffer

by a pretty fair margin—because the employers in Australia are no longer Australians. Our employers are foreigners, so the less money that goes into the workers' pockets, the more money goes overseas.

We have had numerous speakers getting up and saying how wonderfully the economy is going. I will tell you something. Someone said—I will not say where this is from—that the economy had plateaued out and could be expected to stay at the present successful level indefinitely into the future. That was a comment that was made by arguably the leading economist in the United States in August 1929. Every single economic indicator that you could point to in the United States in the middle of 1929 was showing that they had a boom that had been unprecedented in human history. But speculation was creeping and beating out there; it was a boom created by speculation.

There was a marvellous heading to a Maxine McKew interview in the *Bulletin* magazine some months back. It said that Australia was in an artificial boom created by property speculation fuelled by overseas borrowings which have to be repaid. That is profoundly true. If you want to have a look at how well this country is going, compare it to other nations. If you take away the mining industry—and it will be taken away shortly—

Mr Hockey—What? Why?

Mr KATTER—It is interesting that the minister asks: why? I am going to explain this to him, because he is an intelligent minister and he deserves an explanation. We have had the ball game to ourselves. We are a big country. We are a new country. We have not been mined. Other countries have been mined and the easy stuff has been mined out. But there are two countries which, for political or historical reasons, have never been mined—Mongolia and Rus-

sia. They have four or five times the land-mass of Australia.

Minister, listen to what I am saying. It is profoundly important that you hear what I am saying. Russia has four times our land-mass. It has never been mined. I can tell you that Mr Urquhart was a famous international miner when Mr Hoover became President of the United States. He got the first mining going in Russia, but when the communists took over they booted him out and no-one would touch Russia with a 40-foot pole for the next hundred years.

Mr Hockey—Where did they get their gold from? Where did they get their oil from?

Mr KATTER—Yes, there was some gold and some oil and some aluminium mined, but there is a difference between the level of mining taking place in Russia and the level of mining taking place in Australia. I am sure that the honourable minister, if he were an investor, would not have been investing in any mining ventures in Russia or Mongolia in the last hundred years. But now these places are expected to come on stream.

The minister may not be aware of this but I strongly recommend he speaks to some of the bigger mining people in Australia. I have had the very great honour of speaking to them from time to time. They give us eight or nine years of mining, at the outside. Some of them are quoting me figures of as little as two years—and then the party will be over. I most certainly know that to be profoundly true. We hope it is not as bad as some of them are speculating that it will be.

People come in here and quote the unemployment figures to us. Don't they do any homework at all? My figures are a few years old, but I am sure that when they are updated it will be the same trend. Yes, when the Treasurer gets up and says, 'We reduced unemployment by 400,000,' this is true. He did,

and that sounds terrific—except that, if you do a lot of homework, you find out that the numbers of people on disability pensions increased by 396,000 above what they normally increase by. You do not have to be a genius. We have heard the Treasurer and the Prime Minister saying that we have a very serious problem with the disability pensions.

We have doubled taxation. This government, which everyone lauds as being for private enterprise, has doubled taxation. I asked: 'Where the hell has the money gone? I haven't seen any of this money in Kennedy. Where has it gone?' There are only two areas of the economy which increased over CPI. One was health, by \$30,000 million, \$40,000 million or whatever it was, but the colossal increase was in welfare, in the order of \$70,000 million or \$80,000 million in a budget of \$200,000 million. That was the order of the increase. It was absolutely colossal. That is where the increase occurred, and it occurred because there are all these extra people on disability pensions. There are all these people who have decided to stay home and look after their kids as single mothers. God bless them for doing it. But do not come in here and quote figures to us which, if you have any brains or any energy to do homework, you must know are flagrantly deceitful, if not mischievous.

Let me move on. Mr Keating in fact was the great deregulator of the wage structures in Australia, and every trade union official I know will take it back to the days of Mr Keating. When Mr Keating removed the tariffs, I was absolutely fascinated that a Labor government would do that. This was incredible, because only two things can happen: (1) you close down industry or (2) you work for coolie wages. There is no in between. We had 12 American members of parliament up in North Queensland recently, and I had the honour of going to dinner with them. I said, 'Well, you blokes have your huge subsidies,

of course; you're laughing.' And they said: 'You've got to have subsidies. How are you going to compete against China if you haven't got subsidies?' And all of them, whether Democrat or Republican, said: 'That's right. We can't compete against China unless we get subsidies and protection.'

But this government thinks it is the only nation on earth that does not have to have any tariffs or subsidies. I am sorry; you cannot. You are running a current account deficit which is the highest in the OECD. You are exporting nothing. When I say that, we are still exporting a lot of things, but all of them are really on the decline. In agriculture and manufacturing there is a spectacular decline.

Mr Hockey—That's not right. Tourism's up. It's our biggest export.

Mr KATTER—I take the point by the minister, and I think—in fairness to him, it is a serious question—that tourism will increase. But my reason for saying that is that tourism is cheap labour country. Korean wages, as a lot of people are probably aware, are probably higher than those in Australia now. They are most certainly soaring past us. As we become cheaper in wages, I think tourism will improve, and God bless the government, the minister and everyone for trying to get money in from that sector. But I am only talking about \$4,000 million or \$5,000 million in a problem of \$200,000 million. The current account deficit is not that high, but it is very high.

Mr Keating decided that either we were going to close industry or we were going to work for coolie wages. It gives me great sadness to say that there is no doubt in my mind about what this government intends, whether intentionally or not—the 'intend' word leaps to my mind—because that is what must happen here. If you have no tariff protection and

you free up the labour market then there is only one thing that can happen.

In South Africa they decided to bring in cheap labour, predominantly from Europe. They decided to bring in cheap labour because, they said, they could not work the mines without cheap labour, so a massive number of people came in on six-month permits. Suddenly the South Africans woke up one morning and said, 'You Europeans: go back where you came from.' In Australia, on the aeroplane three days ago, I was talking to one of the contractors. I asked, 'How are you going for labour?' He said: 'The new government arrangements are terrific. They've really done a good job.' I said, 'Yes?' He said: 'We have 12 tradesmen, and we got six of them from Indonesia. They work for very reasonable pay and conditions.' I am sure they were very reasonable. So one can see where we are going here.

If you want to know what happens when you deregulate, ask the wool industry. They were deregulated. Within four years, they had lost 50 per cent of their income. Ask the dairy industry. Within four years of their deregulation, they had lost 30 per cent of their income. Ask the tobacco industry. Sorry—you cannot ask the tobacco industry. There ain't any tobacco industry after their deregulation.

We know what it is like when you live in the jungle. Prior to 1901 in Australia, we lived in the jungle. It was fang and claw. Where we are going now, the free market is going to look after it. Let us have a look at how the free market looked after us. The major industry by far and away, the overwhelming, singular industry in this country, was mining. One in 32 people who went down those mines perished, and perished by the most dreadful and horrible deaths. That is not a figure picked out of my head; that is a figure emphasised by the leading Australian

historian, in my opinion, Geoffrey Blainey—a great doyen of the conservatives. That is the figure that he cites in his book, effectively. One in 32 died.

In the sugar industry we had thousands, literally, die of Weil's disease until we took collective action, which will become almost impossible under these laws that we are passing here today. They say every man can look after himself. Tell that to the men who died in the cane fields of Weil's disease. Tell that to the men who went down the mineshaft and died dreadful deaths from miners' phthisis or worse. Tell it to them.

There is the proposition that the checkout chick at Woolworths is going to go and negotiate a good wage for herself. Are these people serious? Has a miner or a sugar mill worker got the time or the knowledge to be able to work out a private agreement? Of course they have not. This is about going back to the period prior to 1901. If they accuse us of moving into the future, this is really back to the future. (*Time expired*)

Mrs DRAPER (Makin) (5.44 pm)—I rise to speak in support of the Workplace Relations Amendment (Work Choices) Bill 2005. This bill will amend the Workplace Relations Act 1996 to create a more flexible, simpler and fairer system of workplace relations for Australia. The bill will carry forward the evolution of Australia's workplace relations system to improve productivity; increase wages—not decrease wages; balance work and family life—not destroy work and family life; and reduce unemployment—not increase unemployment, as the opposition, the Labor Party, claim.

In the past 9½ years, Australians have witnessed the benefit of a strong national economy, one of the strongest in the developed world. Credit for our strong economy must go to the Treasurer, the Hon. Peter Costello. It has been during these years that

real wages for ordinary working men and women have increased by 14.9 per cent, compared to a 1.2 per cent increase by the previous Labor government during their 13 years at the helm. It has been during these years that the unemployment rate has decreased to the lowest level in 30 years and over 1.7 million new jobs have been created. And it has been during these years that industrial disputes have decreased to their lowest levels since 1913, when records were first kept.

We know the opposition believe that the industrial relations fairy fixed all of this in 1996, but the truth of the matter is that these achievements can be attributed to another great event in 1996: the election of the Howard government. These achievements are the achievements of this government, through its partial deregulation of the workplace relations system in 1996 and its strong economic focus. Now is the time to secure the future prosperity of the workers of Australia and their families because, despite this government's partial deregulation in 1996, Australia's workplace relations system is still crippled by the complex, inflexible, operationally detailed award system and the confusing red tape associated with it.

The bill will simplify the complexity inherent in the existence of six workplace relations jurisdictions in Australia by creating a national workplace relations system, based on the corporations power, which will apply to a majority of Australia's employers and employees. Work Choices is about simplifying our workplace relations system. It is about cutting red tape. It is about modernising the way in which employers and employees relate to one another. It is also about choice and flexibility. It is about fairness. But, most of all, Work Choices is about securing the future prosperity of the workers of Australia and the national economy. This is evolutionary economic reform the Australian

way, in a manner that advances prosperity and fairness together. As the Prime Minister has said on a number of occasions, these are big reforms but they are fair reforms.

The government will establish an independent body called the Australian Fair Pay Commission to set and adjust minimum award classification wages; minimum wages for juniors, trainees, apprentices and employees with disabilities; minimum wages for pieceworkers; and casual loadings. As the Prime Minister, the Hon. John Howard, has stated on many occasions, no system of industrial regulation can protect jobs and support high wages if our economy is not strong and productive. This is the central lesson of 100 years of industrial relations history in Australia. It is the bitter lesson of Labor's recession in the early 1990s, the recession we had to have, with 17 per cent interest rates and over a million unemployed—and let us not forget the l-a-w law tax cuts that never happened. It is the lesson that the Labor Party refuses to learn. The key to advancing prosperity and fairness together is higher productivity. When productivity is higher, the whole economic pie is bigger. Individuals and families benefit from more jobs, more competition and higher living standards.

One of the central focuses of Work Choices is to encourage the further adoption of workplace agreements in order to lift productivity and hence the living standards of working Australians. It is not by chance that those industries that have the most workplace flexibility also enjoy the highest productivity growth and the highest wages. We need more choice and flexibility for both employers and employees so that we can reward effort, work smarter and find the right balance between work and family life.

At present, Australia's workplace relations system is comprised of six different systems,

130 different pieces of employment related legislation and more than 4,000 awards. This tangle of regulation creates enormous cost and complexity for employers and employees alike and is hindering flexibility and choice. This hindrance is bad for business. It costs jobs and it is holding Australia back. Work Choices removes this hindrance and enhances both flexibility and choice by creating a single national system. We live in an integrated national economy. Why would we not want to work in one?

Work Choices will establish a body called the Australian Fair Pay Commission to, as I said earlier, set and adjust minimum award classification wages; wages for juniors, trainees and apprentices; and wages for employees with disabilities. The Fair Pay Commission will include members who have experience in business, community organisations, workplace relations and economics and will make the wage-setting process simpler, fairer and holistic.

Along with wages set by the Fair Pay Commission, the Work Choices legislation enshrines minimum conditions of employment through the establishment of the Australian fair pay and conditions standard. The standard will apply to employees in the national system and will include the 38-hour week, four weeks guaranteed annual leave and personal and carers leave, including sick leave and parental leave, but provides that, where existing award conditions are more generous than the fair pay and conditions standard, the award provisions will apply. Work Choices will preserve award conditions.

Mr Kerr—Unless you trade them away.

Mrs DRAPER—No. As I have just said, Work Choices will preserve award conditions such as long service leave, superannuation, jury service and notice of termination. But it will not require these conditions to be

included in the new awards, because they are already protected by specific legislation.

Work Choices will also protect certain other award conditions—for example, public holidays; rest breaks, including meal breaks; incentive based payments and bonuses; annual leave loadings; allowances; penalty rates; and shift and overtime loadings. These provisions are protected and can only be modified by specific provision in a new agreement. If these entitlements are not mentioned in an agreement, the award provisions will continue to operate.

Work Choices is a comprehensive policy that will make Australia's workplace relations system simpler and fairer. It will stimulate economic growth, increase productivity and benefit all Australians, their families and their living standards. It has support from some of Australia's most recognised employers, including the Commonwealth Bank, Qantas and Woolworths. Business groups, such as the Australian Chamber of Commerce and Industry, Australian Business Ltd, the Business Council of Australia, Australian Industry Group, the Housing Industry Association, Master Builders Association and Business SA, have endorsed the reforms. Independent experts, including the IMF, the OECD and the Reserve Bank, have stressed the importance of further reform. If Australia wants to remain a leading world economy, it has to move forward.

There has been much criticism of our Prime Minister by the opposition, particularly in relation to unfair dismissal laws—that he has wanted these reforms for 20 years. So he has and for good reason. All small businesses have wanted the same reforms for 20 years. Perhaps I can add: so has my father, who has been a sole trader and, at the age of 75, still works six days a week, from Monday to Saturday. He would dearly have loved to employ a couple of apprentices

or other mechanics in his small business, but he could not take the risk because he could not wear the costs of an unfair dismissal claim. Once this legislation is passed, all small businesses in Australia will have the opportunity to take on an employee or an apprentice, if they so choose.

Today, all that stands in the way of further prosperity for the working men and women of Australia is the Australian Labor Party and opposition members, who, on economic matters, are led blind by the union movement, like a flock of sheep following their shepherd. But even the ACTU was right about one thing: this government, under John Howard, has been the best friend of Australian workers. These reforms will ensure that this remains the case.

I congratulate the Minister for Employment and Workplace Relations, the Hon. Kevin Andrews, for his work. I also congratulate the Prime Minister for his tenacity in this area and for having the confidence of the people of Australia such that they voted us a majority in the Senate so that we can pass this legislation. I commend the bill to the House.

Mr KERR (Denison) (5.56 pm)—The saddest thing is that I fear the honourable member for Makin, who spoke immediately preceding me, does not realise the Orwellian nature of her remark that this government is the best friend that the workers have ever had. I am charitable enough to believe that she does not understand that of which she speaks, rather than to say that she is part of the cynicism surrounding the introduction of the Workplace Relations Amendment (Work Choices) Bill 2005, a bill with language such as the 'Fair Pay Commission', which is designed to reduce the capacity to establish minimum base rates to sustain the Australian work force—particularly given that, as a commencing benefit of these new laws, the

next national wage case to be determined will be delayed for at least six months so that, until then, we effectively have a wage freeze for 1.7 million workers.

This evening, however, I want to speak in relation to a number of matters that have not yet been given substantial attention. I want to look at the substantial change that the reliance on the corporations power, the destruction of state industrial tribunals and the rendering ineffective of state industrial laws will bring to a system that has hitherto operated within a robust federation. I want to draw attention to those matters because they have not only a number of direct consequences but also a number of long-term consequences, which have not been raised in debate, for this nation and for the political parties that contest elections.

By historical retreat, let us go back to the time when our forebears constructed the Australian Constitution. When the then colonies, now states, sent delegates to discuss forming an Australian federation, they intended to form a national government with certain specified powers and for the residue to remain with the states. For much of Australia's constitutional history, the Liberal Party has been a strong defender of the federal compact and has resisted the growing centralisation of the authority of national government. But there is no doubt that that historical legacy has been entirely overturned under the prime ministership of John Howard. This is a centralising government that, by comparison, makes the Whitlam legacy look pale.

One of the key economic distributors of power across the Australian political federation was the reservation to the states of the control and management of the industrial relations affairs of each jurisdiction. If you go back to the pre-Federation debates, they were centred around one of two propositions.

One proposition was that the national government should have no capacity whatsoever to regulate working conditions and wages or to settle industrial disputes, because, the argument was put, those matters were exclusively for the states to determine. Whilst certain industrial disputes had consequences across borders, the manifestation of each of those consequences was unique to each state and, therefore, nothing was to be taken away from that fundamental central right of a state to be the master of its own destiny concerning the regulation and setting of wages and the determining of industrial conditions in those jurisdictions.

The other argument that was put forward by delegates was that there had to be certain kinds of limited powers given to a national government, because industrial disputes pass across state boundaries. The compromise position that was reached was that the delegates crafted an arrangement whereby the national parliament was given a power not to set wages or to determine industrial conditions but to create a framework for the conciliation and arbitration of industrial disputes extending beyond any one state. All matters that were contained within a particular state, other than where no dispute existed, would remain exclusively for that state, but, where an industrial dispute extended across the borders of any particular state, there would be a capacity not to determine national pay rates or anything of that kind but to settle that dispute.

Over the decades that followed, the arbitration system grew out of that, which ultimately made the Conciliation and Arbitration Commission the leading wage setter and the norm setter for Australian living standards. The last Prime Minister who seriously sought to remove those kinds of industrial safeguards, which we are about to remove, was Lord Bruce, then Prime Minister Bruce, who lost his seat. He is the only Australian

Prime Minister to have ever contested an election from government and not only had his government defeated but also lost his seat.

One of the central changes in this legislation is that, for the first time, the foundational element for the construction of industrial laws shifts from the power to make laws with respect to conciliation and arbitration of industrial disputes extending beyond the border of any one state to reliance on what is said to be sufficient to sustain these laws—the corporation power. I am not going to go into the constitutional arguments that can be addressed as to whether or not that power is sufficient to sustain these laws; it is sufficient to say that there are very respectable arguments that can be advanced that suggest it is not. No doubt, those will be issues that will be determined in the High Court of Australia, and I look forward to playing my part in those matters.

Constitutional validity aside, the fundamental philosophical difference is that, if the power extends, as enacted in this bill, to set up the instruments and machinery for the parliament to confer on bodies such as the Fair Pay Commission a power to set wages, it would also, by the same necessary logic, apply to the capacity of the parliament to directly determine those wages, by legislative instrument.

I say to organisations like the Business Council of Australia and many others, and to the Prime Minister, in remembrance of Lord Bruce: be careful what you wish for; you might just get it. If the legislation is sustained, the nature of Australian politics makes it inevitable that, at some stage, a government better disposed to the industrial interests of Australian workers will sit on the government side of this parliament and will have the capacity to directly legislate to establish national wage rates, without the need

for the kind of machinery that is being set up. It would even extend to a law that would permit a minister by regulation to prescribe corporation by corporation, or sector by sector, wages that would apply, irrespective of considerations of the impact those wages might have on the cost structure of a particular business. It would also sustain the capacity to control prices. If you can control the cost of labour input, you cannot logically contain that power. If the corporation power extends to the setting of prices for inputs, it also extends to the setting of prices for outputs—the prices by which corporations place their commodities and services into the market.

The Labor government that will be formed in the future will have the capacity to directly establish minimum benchmark standards, without all this rigmarole about fair pay commissions, where the language is being rorted to such a degree, and also to establish price control. Be careful what you wish for; you might just get it.

I want to pause on this matter, because I want to address some of the other consequences that the Business Council of Australia might not have contemplated in its enthusiasm for this legislation. One of those consequences is that it will now have to deal with a mountain of red tape of a degree to which the normal system of collective setting of wages has made employers immune. This bill does two things: (1) it privileges the individual agreement over the collective agreement, and, (2) it privileges the collective agreement over the award.

In the past, there have been certain benchmarks that have been normatively established. It is true that this bill will substantially reduce the capacity of people to take traditional industrial action, but it will not diminish the capacity of people to be extremely dissatisfied with their workplace

conditions if those conditions distinctly differ in many different degrees from those who are working alongside them. Nor will it create a circumstance whereby people will be immune from the predatory action not so much of unions in this instance but of legal firms.

Why do I say that? Who advantages themselves most when new laws come forward? How was this bill actually drafted? Who drafted it? Was it the professional legal advisers of the government employed in government services? No. It was drafted by a large number of private law firms. Surprisingly, some components of this legislation do appear to have a modest degree of self-interest!

Consider, for example, the way in which the bill provides for the capacity of persons to negotiate collective agreements. If you are a trade union and you wish to negotiate a collective agreement, you can put yourself forward as the bargaining agent of the workers who belong to your union in the work force. You have to say: 'I have five members currently in the union. I can negotiate collectively for those. I can put that proposal forward to the employer.' Now consider the circumstance of another form of bargaining agent, a lawyer that advertises their capacity to negotiate a better deal for you. 'I can do a better deal for you,' says solicitor A. 'I represent a large firm. One of you needs to appoint me as your bargaining agent.'

Mr Hockey interjecting—

The DEPUTY SPEAKER (Hon. AM Somlyay)—Order! The minister will cease interjecting.

Mr KERR—Having been appointed as your bargaining agent, the bargaining agent who is not a union can make a claim in relation to every employee. You do not need to represent them; you do not need an authorisation from each of them.

Mr Hockey—The Labor states referred the power to the Commonwealth. You know that.

The DEPUTY SPEAKER—Order! There is too much noise on my right.

Mr KERR—You can put yourself forward and make that claim. Trade unions cannot do that; legal firms can. Obviously this represents a significant market opportunity for an entrepreneurial law firm—a law firm with a bit of industrial experience. What kind of law firm might that be? I suspect it might be one or two of the law firms that actually drafted this legislation. I suspect that some of the cheerful barracking that is coming out of the businesses that have signed up for this sort of stuff may be a little muted when they confront the kind of legal complexities that are likely to arise in relation to the way in which this legislation is worked through and the new kinds of bargaining agents who take advantage of some of the opportunities that open up.

Let me go back to my starting point about federalism. We started out with a rather historical introduction about the original intent of the framers of our Constitution to distribute powers between a central government with substantial powers—but limited powers—and states which still had substantial legal and economic entitlements to their own future. This bill changes that very substantially.

New clause 9 of this bill—proposed new sections 7C(1)(a) and 7D(1)—overrides all state industrial legislation and all state awards and agreements contingent on that in relation to any person who is employed not only by the Commonwealth but by any corporation. States are deliberately intended to retain a residual jurisdiction that applies only to that small group of unincorporated associations—partnerships and the like—and state public services. This will not be a

happy position to be in, but it will not be a happy position to be in for the small businesses that are in that sector either. It will not be a happy situation.

When these provisions come into effect we will have the situation where a person who has been under state agreements will have a transitional arrangement that comes into place under clause 360, schedule 15, of the bill. The awards and conditions or agreements that they had previously continue to operate for a transitional period of up to a maximum of three years, overridden instantly if another agreement comes into effect—one which sells off the benefits they have received under state awards.

But section 15 has a little stinger in it. Section 15 of schedule 15 has a little stinger that says that the minister may, by regulation, ban what is called prohibited content. We do not know what that prohibited content is, but apparently it reserves an unregulated ambit of discretion to the minister to say that certain entitlements that people currently have under state laws will not be carried forward into the future.

If we knew what the constraints around prohibited content were, we might be more benignly relaxed about this. But no, we are asked to pass a pig in a poke, to push it through. Suddenly, we will discover that all those employees who were hitherto under state awards and protected under those jurisdictions or who had state industrial agreements suddenly are without those protections in relation to whatever elements, if these provisions are lawful and constitutional, are removed by the minister under these regulations. Then we discover that not only is that the case but, while people are under these provisions, all industrial action is prohibited.

Another interesting provision that has not been discussed much is proposed section 111. Proposed section 111 of the principal

act—as it will be if this bill is passed and comes into effect—is on page 270 of the legislation. It intrudes in another way in state jurisdictions. It says that even if you are still under state law—if you are an employee or employer of an unincorporated association and not subject to these laws—or you are a public employee and you are likewise still under state awards, then if you undertake any industrial action, even if it is lawful, even if it is authorised, even if it is permitted under the terms of those agreements—guess what? Big Brother can step in. The Australian Industrial Relations Commission can come in. If your industrial action represents a threat—not a threat to the community but a threat to any constitutional corporation—guess what? A constitutional corporation is, yes, a trading or financial corporation formed within the limits of the Commonwealth. That is any company.

So any industrial dispute that emerges in a state—lawful, under those provisions—will now become subject to federalised law. That has not been discussed. It is a substantial cutting back on what has hitherto been a fundamental capacity of state jurisdictions to establish the boundaries of what is permissible within those jurisdictions. So we are confronted with a very interesting political point in time: this government abandoning federalism and transferring its commitment to centralism—that is, if this legislation survives this constitutional attack, it gives to the parliament the power to directly prescribe prices and incomes and, in the course of doing that, sabotage the industrial rights of Australian citizens both at a national level and—particularly unremarked on in the debate so far—directly at a state level. This is dreadful legislation. But, remember, Prime Minister, reflecting on the fate of Lord Bruce: be careful what you wish for; you might just get it. (*Time expired*)

Mrs BRONWYN BISHOP (Mackellar) (6.16 pm)—I think it was Gerard Henderson who first identified the industrial relations club as a club where insiders practised an arcane science that was quite unfamiliar to the rest of the people, particularly those who were subject to their deliberations. For two decades now we have been looking forward to the day when industrial relations could become comprehensible to ordinary folk. What the Workplace Relations Amendment (Work Choices) Bill 2005 does is reduce 2,000 pages of state and federal legislation to 700 pages—and, of those 700 pages, 200 pages are transitional provisions. So it is a tremendous reduction in the amount of black-letter law that is going to be applicable to how people are able to negotiate situations in the workplace that are suitable for them.

I listened with interest to some speakers in the course of the debate—not all, I have to say. What I really hear being argued is a case for, ‘Please leave it all in place, because it’s ours; we know how to play the game and we don’t want any change.’ It really is a plea to leave in place the old industrial relations club and to leave in place trade unions, which are an enormous source of money for the Labor Party, which is their political wing—\$47 million has been paid since 1995-96 from trade unions to the Labor Party for the purposes of fighting elections and protecting that base.

If you look at the make-up of the people who form the members of the Labor Party in the opposition, you will see that something like 50 per cent of them have a trade union background. Similar statistics apply to the people who sit on the front bench. I hear almost a bleat coming from the opposition. If we see the passage of this legislation, and its bedding down and functioning well, that 17 per cent of people in the private sector who choose to belong to trade unions may become even less. If that is the case, the

amount of money that will flow into the ALP’s coffers will decline. So there is very much a self-interest in all the arguments that come from the opposition to defend the status quo.

But I think it is relevant to look at the history of the opposition since we came into office. Let us look first at a quote from the Leader of the Opposition, Mr Beazley, in 1996, very early in the term of this government. He predicted that the Workplace Relations Act—that is, the one we have been living with for nearly a decade now—would turn Australia into a ‘low-wage, low productivity industrial wasteland’. What has the reality been? We have created 1.7 million new jobs. Of those 1.7 million new jobs, 900,000 have been full time and 800,000 have been part time. What was the outcome of a totally regulated system that the Labor Party had in place during their 13 years in office? Aside from the fact that we had a boom-bust cycle and an enormous depression in the early 1990s—where, because of the mismanagement of the economy, firms that would normally have survived a correction in the marketplace perished under that hideous interest rate regime that was imposed by former Prime Minister Keating—during their period of tenure, over 13 years as distinct from over nine, they created 707,000 jobs, of which only 188,000 were full-time jobs.

So you get an outcome that says that, if you have a totally regulated system, you get a smaller number of jobs created and you get a recession—which we had in the middle of it, where the recovery rate for new jobs was far slower than the loss rate of jobs that went during that depressed period—versus the beginning of a freed-up workplace and a freed-up economy, which has generated the greatest number of people we have ever had in employment. We now have more than 10 million people in employment. We have

more women in employment than we have ever had before. There are more women participating, using the skills that this country has enabled women to have. There has been a huge investment made in us, in that we have been able to acquire good educations and we are able to use those skills that we have acquired, and in a way we give a dividend to the nation because our skills are being used.

At the same time, we have seen a nearly 15 per cent growth in wages; whereas under Labor we saw a minimal growth in wages. Indeed, we saw Labor Party people say that they were proud of the fact that they had suppressed wages, which allowed greater profits to be made. Let us see what some of the activists who are still playing in the game had to say as well. Just prior to the 1996 election, in October 1995, Stephen Smith, the member for Perth said:

The Howard model is quite simple. It is all about lower wages; it is about worse conditions; it is about a massive rise in industrial disputation; it is about the abolition of safety nets; and it is about pushing down or abolishing minimum standards. As a worker, you may have lots of doubts about the things that you might lose, but you can be absolutely sure of one thing: John Howard will reduce your living standards.

Let us take them one by one. Wages have risen; they have not gone down. Conditions have not worsened. 'A massive rise in industrial disputation' did not happen; it lessened. 'It is about the abolition of safety nets': safety nets are still in place. 'It is about pushing down or abolishing minimum standards': it was not; they have not been abolished. 'As a worker you have lots of doubts about the things that you might lose, but you can be absolutely sure of one thing: John Howard will reduce your living standards': he has not; they have risen.

All the dire predictions that were made about the first tranche of our industrial rela-

tions reforms have been borne out to be incorrect. The peddlers of fear—that damnation was nigh—have all been proven to be wrong. Now we are seeing a huge step forward which will successfully reduce the complexity, the arcane science, the mystery and the volumes of pages of minute conditions that have to be followed under the award structure to something that people can comprehend and honestly negotiate upon.

Unions will not be abolished; they will still have a role to play. However, I repeat: the main problem that will lie for the Labor Party is that, if people see that they do not need to continue to belong to a union, the revenue that flows to the Labor Party may well drop. I can see that that is a real concern for the Labor Party, particularly as they have now sold Centenary House which, in the last years of that lease, would have produced \$8 million a year for them. Nonetheless, they realised the capital gain. It cost \$17 million to build and it realised \$35 million on sale because of the value of the lease attached to it.

Just on Centenary House, I have asked the Audit Office to look at it to ensure, should the Auditor-General continue as a tenant after the cessation of the lease, that holding over provisions would not be on the same terms and conditions as the lease. That is very important, because the amount of money that is spent by the Audit Office on rent is practically greater than the money it spends on doing its job.

Back to this bill. I concede that the bill may well have a real effect on the cash flow into Labor Party coffers, but it will also have a very good outcome on the cash flow into workers' pockets. Workers' pockets are the ones that this government cares about. By having a freed up labour market, more and more people will have jobs and be part of the pride of working. There will be fewer fami-

lies where there is no job—no breadwinner; merely welfare. Those are the aims. No better gift of independence can be given to an individual Australian than the right to work and to support themselves and their family. This workplace reform is about seeing a new horizon—about seeing new hopes and aspirations. It is about getting rid of the arcane science and the IR club for the insiders and seeing opportunities open up for people who have been denied the opportunity to participate. It is a pretty good aim.

When the opposition tried to hold up the introduction of the bill, I think John Howard said he had been waiting 20 years so he could wait another 15 minutes. The fact of the matter is the country has been waiting for decades, and it will finally get to see a freed up system where individuals will prosper.

Mr GARRETT (Kingsford Smith) (6.26 pm)—I rise to speak on the Workplace Relations Amendment (Work Choices) Bill 2005 and add my voice to colleagues on this side of the House, including the member for Denison. I strongly support and endorse the remarks he just made to the House. The development of Australia's industrial relations system over the period of our life as a nation is the mark of our particular genius for accommodating competing rights and interests. This system operated in a way which ensured fairness for workers and the capacity for businesses to engage fruitfully in the economic system. It did so in a way which ensured fairness and conformity with law and working practices. If it needed to be improved or to adapt to changing circumstances, it was possible for constructive change to occur, as was palpably displayed in the Hawke-Keating era. However, the legislation that the government is introducing into this parliament casts aside this legacy. It proposes a destructive approach to industrial relations. It throws the lot out. It seeks to bypass the Constitution and, despite not a

skerrick of substantive evidence being put to this House, it reconfigures the system to significantly reduce the rights of working Australians to receive a fair day's pay and conditions for a fair day's work.

The arguments used by the minister to justify the government's actions have been spurious. The minister typically distorts history to make any point—for example, his common claim that the industrial relations principles are based on the old economy and 'static institutions'. These comments belie the adaptations and adjustments the system has accommodated for decades up to the present time. He claimed that the industrial relations system has overlooked the creation of jobs. Apart from failing to note that the system specifically allows for and expects employment conditions to be factored and considered in determinations, this comment again belies our experience of the industrial relations system co-existing with lower rates of unemployment.

No-one is immune from this minister's criticisms. He has also admonished managers. He said that, until the early 1990s, they had shown little willingness to innovate. This would come as a surprise to the many public and private sector managers who have made innovation a byword for their actions in the workplace over an extended period of time. It is managers, after all, who play a major role in driving economic performance. Importantly, when last surveyed, managers did not rate the current award system as the most significant impediment they face to making innovative changes. They put financial constraints and government policy at the top of their list and not the industrial relations system that this government is dismembering.

I spoke in the House on 6 September in the debate on the now superseded Workplace Relations Amendment (Better Bargaining) Bill 2005 about the impact of the govern-

ment's proposals to change the Australian industrial relations system. Without repeating those words now, I draw the House's attention to them. At that time I raised concerns about the impact that the proposals would have, especially on the low paid. I also raised my concern that no case had been mounted that the current industrial relations landscape holds back the Australian economy in any way, shape or form. I think this was graphically shown on the *Four Corners* program of 29 August this year. Questioning Heather Ridout of Australian Industry Group, the reporter asked:

Can you cite any economic evidence that individual contracts actually boost productivity?

HEATHER RIDOUT, AUSTRALIAN INDUSTRY GROUP: No, and I...

SALLY NEIGHBOUR, REPORTER: No? Is there none?

HEATHER RIDOUT, AUSTRALIAN INDUSTRY GROUP: Well, I, I'm not aware of direct research to that effect.

Professor Mark Wooden of the Melbourne Institute of Applied Economic Research was asked the same question. He replied:

I'm not sure there's any.

Professor David Peetz from the School of Business at Griffith University said this:

There's no evidence for it at all. Over the long run productivity is determined by the rate of technical progress.

There you have it—it is not by focusing on 'transaction costs', as some members opposite have claimed. It is a risible claim that reasonable working conditions and the capacity to bargain for them are merely transaction costs in some kind of person-less calculation. It is technological progress that determines productivity and, tied to that progress, substantial reskilling of Australia's workers. That should be the emphasis of the government, as we have argued in this House repeatedly. But they just do not get it.

With the introduction of the Workplace Relations Amendment (Work Choices) Bill 2005 the government now reveals the details of the ideological master plan. My concerns about that plan as expressed before remain unchanged. With the guillotine to be applied to this debate, the government holds the parliament in contempt and the laws are forced through. The bill, with its 687 pages of detailed amendments, along with the explanatory memorandum of 565 pages, amounts to 1,200-odd pages. It is clearly both exhaustive and, given the time frame for passage to this House, exhausting. The bill presents us with a package that is mind numbing in its complexity. The magnitude of the changes have been heralded by the government since the Prime Minister's May statement. The October Work Choices information package and the ridiculously and obscenely expensive advertising campaign that accompanied it all, stand as testament to the significance of the changes. The government spent over \$50 million of taxpayers' money in what was really a blanket blitz of propaganda. It has pulped brochures that do not conform to the government's thoughtspeak, and the Prime Minister ducks for cover at question time—today again refusing to engage in debate. All this is emblematic of the government's approach.

Given the level of detail combined with the stated importance of the changes, a dispassionate observer would simply ask: 'Why hasn't there been more time for debate?' But it is a repeated pattern with the Howard government that the opportunity for parliament to comprehensively examine and debate issues of this magnitude, particularly when much of what is contained in the legislation would open the government to criticism, is simply curtailed.

The fact is that any so-called reforms, to be worthy of consideration, should promote both fairness and efficiency. But in this case

fairness has been left out altogether and the efficiency gains the government speaks of are, in effect, a one-way, low-wage street, leading to the Americanisation of our industrial relations system. Having worked over a number of years in the United States, I well know that when the US economy is robust, working conditions and remuneration conditions barely cover expenses. When it slows down, people are stranded. They are caught between the necessity to work and a system that permits their labour to be traded down when the economy goes soft. Many end up as working poor, and you see them on the streets, under the bridges and in the poor neighbourhoods of the towns and cities of America.

Many colleagues and commentators have noted in respect of this legislation that the devil is very much in the detail and that working Australians need more time to learn about these changes. I would assert in the House that members on both sides and in both houses need more time to consult their constituents and to form views and express concerns to the government. Working people should not be told that they should just trust the Prime Minister. That approach is too condescending by half. Working Australians deserve much better than that.

I can assure the House that of all the issues that are of significance in the seat of Kingsford Smith, these industrial relations laws and what is contained in them is the most significant issue. It is the issue we receive the most mail about in our office, it is the issue that we receive the most telephone calls and emails about, and it is the issue when we go out into the community, into the shopping centres and onto the street corners, that we find that the majority of Australians have concerns about. I say to them that we are listening to the them and that their concerns and problems with this legislation are entirely justified.

The government claims that there has been consultation about these changes. It is a fanciful claim. The Prime Minister's May statement was some 12 pages long. The *WorkChoices* booklet released on 9 October, only four weeks ago, was 67 pages. Neither of those documents went close to touching upon the intricacy of this 1,252-page package. For members opposite to claim that this is in some way a simplification of the industrial relations system borders on the farcical.

The changes that will be wrought by this bill are sweeping and they have the potential to be catastrophic. The impacts will be felt through the term of this parliament and beyond and they will be felt in the lounge rooms of the people of Kingsford Smith. Last week the ACTU predicted that many Australian families who rely on regular overtime will suffer reductions in take-home pay in the order of \$265 per month. That is a dark cloud for these people indeed. It also appears on analysis available so far that the protections promised in the Work Choices media campaign are not what they seem. We were subject to a media blitz the like of which the country has not seen—a media blitz that I have to say does not seem to have been particularly successful.

Ms George—It backfired on them, didn't it?

Mr GARRETT—It has backfired on them, as the member for Throsby comments most assiduously. Many people who are listening, reading and in this House will recall that there were matters which would be protected by law, and they will recall that penalty rates was one of those matters. Your penalty rates 'protected by law' went the advertisement. Your penalty rates 'protected by law' as proposed in the government's advertisement is simply not true. Some people will have their penalty rates protected in some

circumstances, but this package will not protect all penalty rates all the time.

In my electorate of Kingsford Smith there are many registered clubs. The employees of those clubs are paid under the Club Employees (State) Award. That award, at clause 15, affords bar staff, on Saturday, a penalty rate of time and one-half. Under this law, the Club Employees (State) Award will no longer be an award. As the member for Denison and others have remarked, it will become a transitional agreement. It will have a life of three years and, at the end of three years, it will disappear. The employees will then be moved onto the appropriate federal award. Presumably, the appropriate federal award will be the Hospitality Industry—Accommodation, Hotels, Resorts and Gaming Award. I advise the House that that award, at clause 19—surprise, surprise!—provides only time and one-quarter for Saturday work. A clear reduction in penalty rates for bar staff in New South Wales clubs, on current rates a reduction of about \$3.10 per hour, is under way and a similar thing will happen to Sunday rates.

Not only is this contrary to the government's publicly stated position—club employees' penalty rates will not be protected by law—but, more importantly, it exposes club employees who rely on penalty rates of \$200 per month to the loss that they will inevitably and ultimately suffer. For people whose living expenses are high, who have families, who need child care, who are paying off a mortgage, who are meeting rising fuel bills, the prospect of being \$200 a month worse off is indeed a catastrophe. It is not an overstatement or an overuse of that expression. For these people, these laws are a very dark cloud.

There are in the order of 40,000 employees who are covered by the Club Employees (State) Award in New South Wales. It is these

40,000 people who will suffer a loss of award protections for penalty rates arising from this legislation. They will all be exposed under this legislation. But it is not just members of the House who are finding this bill daunting; the language of the bill is largely impenetrable to all. Members will have observed the minister being interviewed by Tony Jones on ABC's *Lateline* program on Thursday last week. It is worth repeating an extract from that interview. Mr Jones is talking about a child-care worker, Mary, trying to make sense of this legislation.

TONY JONES: Alright. Let's take a child care worker as a hypothetical case, call her Mary. Mary's employer wants her to go onto an AWA. Now the first thing Mary has to work out is whether the offer is as good as her pre-reform wage instrument. That's right, isn't it?

KEVIN ANDREWS: Mary will know what she's getting by the way of her take-home pay at the present time. So if she's offered an AWA, she can compare that and she can get some advice.

TONY JONES: It isn't her take-home pay, though, is it? It's her basic periodic rate of pay that's involved here. She can't be offered less than her basic periodic rate of pay. That figure excludes overtime and allowances, doesn't it?

KEVIN ANDREWS: What she has to have in any agreement in the future is the fact that she gets the wage made at an hourly rate, but according to the award classification which is relevant to her industry and her job—a 38-hour ordinary week, four weeks annual leave, sick leave, carer's leave and personal leave.

TONY JONES: It does exclude overtime and allowances—the figure that she can't receive less than in her AWA—that's right isn't it?

KEVIN ANDREWS: Her overtime and allowances are matters which can be negotiated between her and an employer—

there is the rub—

If they don't negotiate it specifically then the relevant award provision applies.

TONY JONES: She has to work out her preserved Australian paid classification scale. Once she

does that she has to work out whether that is, in fact, related to her pre-reform wages. These are incredibly complicated concepts for people like Mary, a child care worker?

KEVIN ANDREWS: We can simplify all that. Can I cut through all that, Tony. We simplify all that. The Australian Fair Pay Commission will establish for all relevant awards and classifications, will have an hourly rate. It will publish this. It will have these details available quite readily to Australians. In fact, what you're describing is the great difficulty of the system at the present time. What we're going to do is to be able to have a system—

TONY JONES: What I'm describing is what's in your legislation, actually, what's in the legislation we're looking at.

That extract from *Lateline* sums it up. It makes it all clear. It is not a John Clarke script. This bill involves a level of complexity that renders it incomprehensible to ordinary Australians—workers and employees alike. The system does not become simpler; it becomes more complex. The pages and pages of the bill are a testament to that fact.

This bill is a mess. It brings changes that are fundamental to our way of life, and it removes fairness from the workplace. The bill is a mess, and it is also in contempt of a system that has served Australians well. It emasculates every industrial tribunal in this country, and it takes away recourse to an independent umpire. This bill is a mess, because it destroys the award system and it removes crucial protections for working Australians. As has been pointed out in the House by the shadow minister, the member for Perth, it removes the no-disadvantage test, which has served to underpin the award system that has done Australians fair over the last 100 years. The bill is a mess because it restricts the activity of registered organisations, and it destroys the fundamental rights of workers to organise and operate effectively a trade union. It denies a fundamental right that they have had in the Federation. By

removing unfair dismissal rights it eliminates all sense of security in the workplace.

By introducing this legislation into this place in this manner, a bill which I have described as a mess has been foisted upon the Australian people. The government has attempted to persuade us of its merits by spending hard-earned taxpayers' money. It now wants to seek to gag the debate—to guillotine debate in the House. The word 'arrogance' does come to mind. It is used often, but in respect of the way in which this legislation has been introduced and managed by the government I think the word is entirely justified.

The government's package is an affront to many Australians, because no case has been made for these massive changes. The extent of the detail in the document is oppressive. The long-term effect on Australian workers faced with having to make their own claims in order to be able to exercise their rights in the workplace—rights which have been significantly reduced—will be that in some instances, particularly into the medium and longer term, they will face some catastrophe.

Whether it concerns the residual powers given to the minister to make determinations in relation to prohibited content—namely, those things that are not permitted to be part of an employment agreement—whether it concerns court fines and jail for those who seek to add conditions, whether it refers to the situation that obtains for Mary, whether it concerns the impact on families who need certainty about their working arrangements but who will now face working hours that can be averaged over a 12-month period or whether it concerns workers in low-paid jobs who do not have the resources to resolve their own disputes in cases of unfair treatment, the likelihood with this bill is that, in areas where efficiency gains are all but fully realised, the only prospect for Australian

workers is that they will be asked to do more for less. There is no other conclusion that can be drawn from this legislation. The haste with which the government acts means that the substance of these changes will pass without the opportunity for people to fully understand and comprehend them. This bill should be rejected by the House. (*Time expired*)

Ms PANOPOULOS (Indi) (6.47 pm)—The Workplace Relations Amendment (Work Choices) Bill 2005 is one of the most important pieces of legislation that this parliament will debate. It represents a significant shift that will bring workplaces into the 21st century. But few bills have been misrepresented in the manner that this bill has. Few bills have been subject to the complete misrepresentation that this bill has—in particular, from self-interested bodies like the ACTU, which is diminishing in relevance from year to year. With the successful passage of this legislation, Australia will move from the complex labyrinth of an arthritic and rigid workplace relations system that was more suited to the time of the horse and buggy at Federation. We have moved on now, and there is no reason for there to be 4,000 awards in place and more than 130 pieces of separate industrial relations legislation.

The hysterical reaction from some members opposite has been a disgrace. Some have misled the House: the member for Capricornia did this recently with her incorrect rantings on AWAs—and the member for Bendigo claimed that pensioners would be worse off because the minimum wage would drop. What absolute rot. Let me remind the member for Bendigo and others on the opposite side that it is the Howard government that has ensured that the pension will never dip to below 25 per cent of male total average weekly earnings and that the pension is indexed twice a year, in line with inflation.

The ACTU secretary, Sharan Burrow, told her union minions on national television that, for her hysterical advertising campaign, she required:

... a mum or dad of someone who's been seriously injured or killed. That would be fantastic.

What a repulsive, disgusting thing to say. Here we have the president of the ACTU, a position held in the past by a few members on the other side, wanting to wreak human misery on vulnerable people in our community.

But not to be outdone, the unremarkable Victorian upper house member for Chelsea—whose previous claim to fame was that he missed a division in the Victorian upper house, where the government controls the numbers, meaning that the Labor government could not pass its bill—stated that the Prime Minister wanted to take us down a path where:

... people on picket lines were murdered. Women and children were killed, and that is the road this Prime Minister wants to take us down. It is a disgrace.

No, Mr Smith, you are a disgrace—but a perfect illustration of the quality of members of the Victorian Bracks Labor government.

As the Prime Minister has said on a number of occasions, these changes are 'big but fair'. They are necessary to ensure Australia's productivity remains high and competitive, to ensure the highest possible living standards for Australian workers. They are necessary to ensure Australia keeps pace with the rest of the world. If we fall back and ignore reform of our industrial relations system, we risk being relegated to the backblocks of the international economy, floundering at the bottom of the ladder like the Hawthorn and Carlton football clubs of the 2005 AFL season, when we should be up there with Sydney and West Coast.

It is worth remembering that some of these reforms have been seminal coalition policy for a decade. For instance, the Howard government has been saying—up hill and down dale, since 1996—that it wants to rid this country of Labor's 'unfair' unfair dismissal laws, which act as a startling impediment to jobs growth in this country, particularly in the area of small business employment. Labor is pretending that Keating's unfair dismissal laws are some sort of unassailable, unalienable constitutional right of the worker. They have only been in existence since 1993, and the regrettable experiment that these laws have been needs to end—and it will end with the passage of this legislation.

For years, small businesses in my electorate have been pleading for changes to the unfair dismissal laws. Some of them just do not employ additional labour, but work longer hours with members of their family. Others have been unfairly financially burdened by having to pay 'go away' money—which is a polite term for that sort of payment—to vexatious former employees.

Some Labor members do know the folly of these laws. The member for Hunter comes to mind as someone who understands the debilitating effect that the current unfair dismissal regime places on small business. The member for Watson has acknowledged their deleterious impact. If only more members on the other side would have the courage to speak up and take the concerns of small business more seriously. But then again, they do have a leader who is on record as saying that the Labor Party never pretended to represent small business.

If we look back a bit further, we see that the notion of a national industrial relations framework garnered wide support from a rather disparate coalition of people. Take this quote:

The opposition supports in principle the concept of a single national system of industrial relations, and it always has. It can deliver benefits to both employees and employers by creating a uniform national framework for dispute resolution and the application of minimum employment standards that can be more easily complied with and enforced.

That was not the Minister for Employment and Workplace Relations or the Prime Minister. It was Steve Bracks in 1996. And here is another one:

In a nation of 17 million people struggling to modernise its economy, seven separate systems of industrial regulation is an absurd luxury.

Who said that? It was none other than the former New South Wales Premier, Bob Carr. Both the New South Wales and Victorian governments have now taken out expensive advertising campaigns of their own to complement the misleading ACTU campaign. Talk about hypocrisy! When he was state secretary of the Western Australian branch of the Labor Party, the member for Perth, one of the fierce opponents of the government's advertising campaign, supported the idea of a government being able to explain its policies. He said: 'I see nothing wrong with a government explaining its policies to the public through government documents with a foreword by the Premier.'

We cannot talk about these industrial relations changes without mentioning the union movement in Australia. The shift to enterprise bargaining is something the unions have always feared. It is opposed by the union movement and, yes, these changes do impact on the unions. But, like the churches, political parties and other forms of organised associations, the unions have to come to terms with remaining relevant in an age of dwindling adherence to dogmatic capital. In 1976, 51 per cent of the work force were union members. That figure is now about 22 per cent—and in the private sector it is only

17 per cent. People are voting with their feet. The shift towards enterprise bargaining and the fall away from the rigidity of reliance on awards has seen a subsequent increase in wages and productivity.

As a female member of parliament, I was one of those who received an email this week from Eva Cox, imploring me and other coalition women to vote against the IR bills and support women's equality. This is the same Eva Cox who recently said:

We certainly have more [Australian] women in positions of power than we had, we have more women earning higher incomes and they are better educated.

The member for Fremantle took up the female rights cause in 1996 when speaking in this place on the Workplace Relations and Other Legislation Amendment Bill 1996. She said:

Whichever way you look at the government's proposals, they are certain to be very bad news indeed for women ...

She also said:

Individual contracts and deregulation in and of themselves have already been shown to be inimical to the interests of women. Women are already amongst the poorest in this community and this will exacerbate it.

More lies from the Labor Party's hypocritical feminist sisterhood.

Ms George—Mr Deputy Speaker, I rise on a point of order. The member for Indi has used very offensive and unparliamentary language, and I ask that she withdraw those comments.

The DEPUTY SPEAKER (Hon. IR Causley)—The member for Indi should withdraw the word 'lies'. It was addressed to a group of people, and I have ruled before that a group of members cannot be accused of lying. The member will withdraw the word 'lies'.

Ms PANOPOULOS—I withdraw the word 'lies'. The member for Fremantle talked about women being the poorest amongst our committee. She certainly has not had to suffer, particularly when the last bill passed under the last Labor government was to pay for her legal affairs in the disastrous Penny Easton affair. I am sure she has been very well looked after by the Labor Party and the labour movement, so it is quite sad that she has now turned on them in all other policy areas.

Ms George—Mr Deputy Speaker, I rise on a point of order. The remarks being made about the member for Fremantle are couched in very unparliamentary language and are not acceptable.

The DEPUTY SPEAKER—There is no point of order.

Ms PANOPOULOS—The facts are that, since 1996, the number of women in the work force has increased by some 16 per cent, unemployment has fallen considerably over the same period and, whilst you will never hear the ALP or the unions say it, women are increasingly better off when employed under AWAs—so much so that women on AWAs earn 32 per cent more than women on union sanctioned collective agreements. Therefore, the main reason behind the ALP and the union movement's staunch opposition to AWAs springs not from a benevolent desire to assist the worker but rather from the fact that unions are not involved in the application of AWAs. They are on the other side, on the back foot, dreaming of the prospect of a Beazley Labor government with the ACTU having a few seats at the cabinet table and pulling all the strings in the Labor Party's closed shop. The fact is that unions are going to have to work a bit harder if they are going to survive and convince employees that it is worthwhile signing up to receive their assistance. Some unions

do provide that assistance, but they are definitely in the minority.

These reforms are significant and they are necessary. We are making the choices now to ensure that, in the future, the Australian economy is well suited to compete internationally and that it will have the flexibility in the workplace that our current Australian living conditions and families demand. The government does not shy away from giving greater flexibility to workers and employers. We have stronger faith than the Labor Party has in the ability of Australian workers and their bosses to determine what is right for them and in their best interests. I support this legislation and commend it to the House.

Mr BYRNE (Holt) (6.58 pm)—I am pleased to rise tonight to speak on the Workplace Relations Amendment (Work Choices) Bill 2005. I want to make one comment on the contribution made by the member for Indi. The only thing we agree upon is that we barrack for Collingwood. Without going into specifics, I completely disagree with the rest of it, particularly with regard to that speech. In that contribution, there was some discussion about AWAs, about the animus behind and the motivating factors for debating this incredibly large document—the extensive provisions in this bill. There has been some discussion about whether this is a debate about ideology. I recall that the member for Wentworth spoke about the Labor Party sticking to an outmoded ideology—an ideology that has had its time.

Interestingly, reflecting on that particular point and what motivated the presentation of this bill—what the reasons were for this bill being brought forward by the government—I have come to believe that its genesis was driven purely by the Prime Minister. The Prime Minister is seeking to implement an agenda that he has had from the time he came into parliament, but it is an agenda

which will ultimately result in the destruction of families and businesses. I do not say that just as a Labor member of parliament, or on behalf of the federal opposition. I will cite a number of more ‘independent’—if you want to use that term—people who have some level of concern about the legislation which has been brought forward and which we are debating tonight.

I would like to read you a letter written to the *Age* by a business consultant. It is about the government’s proposed legislation and also the market signals that it sends to employers in this country. The letter says:

I operate a part-time business consultancy specialising in the small and medium enterprise sector. I would like to share the views of one company that approached me to consult to it, on the proposed changes to IR.

This company stands out as an example of the way in which workers can be abused by the proposed changes. It imports electronic equipment and parts from Asia and assembles or rebadges and packs the products for sale through major retailers. It employs 79 permanent staff, of whom 67 work in the plant on an average weekly wage of just over \$700 and they are non-unionised.

The company is highly profitable—in excess of \$1.5 million last financial year—and is owned by a brother and sister in their early to mid-30s. Both have MBAs and a background in merchant banking, and inherited the company on the death of their father two years ago.

Despite its profitability—
it is profitable—

the company is relatively dysfunctional, with low staff morale stemming from a constant comparison of the siblings’ management style ...

I will not go any further with respect to that part of the letter. The letter goes on:

The owners have signalled that when the new IR legislation is passed they will sack all of their 67 process workers. The sister stated: ‘This will teach the bastards that do not show us the respect that we deserve a lesson.’

She was talking about the 67 full-time process workers who have delivered this company an annual profit of \$1.5 million in the last financial year.

The company then intends to replace the present workforce with the same number of casual employees on AWAs and pay the absolute minimum wage that they can get away with, plus the basic statutory employment conditions. The higher pay scales, permanency, penalty rates, shift loadings and other benefits now enjoyed by this company's workforce will be converted into profit (not productivity improvements) for the owners.

You will recall that in this House there has been much discussion about increased productivity as a consequence of these legislative amendments.

With a degree of glee I was told that this increase in net profit—again, not productivity—will be more than \$700,000 a year, or \$350,000 to each of the owners. I asked where were the replacement employees to come from. The answer was the company would list the positions with a government Job Network Provider so that they could get employees (free of any recruiting charge to the company) who would then be compelled to take the positions at the minimum wage level offered under the threat of the removal of their welfare payments by Centrelink.

In addition, the brother, correctly, pointed out that in the area near the plant there is a large number of households containing single mothers who will be compelled to work under the changes to the single parent mutual obligation rules. Thus, to use his reasoning, the Government's welfare reforms will deliver his company low cost labour through compulsion.

I made the observation that productivity would fall with the removal of experienced operators, only to be told that the siblings had factored this in and considered that the productivity loss would be irrelevant because they would clear the \$700,000 additional net profit from their new workforce.

I suggest that the thinking of these employers is more widespread than the Howard Government has publicly admitted, and this imposition of pure

ideology over common sense will see the Coalition decimated at the next election ...

That is not the Labor Party opposition saying what these changes will mean; that is a business consultant, who is consulting with companies in my area, forecasting what will happen when these legislative amendments are passed.

I was watching the Prime Minister on the *7.30 Report* the night before last and I was listening to his contribution in the House today. He reflected that the legislation was in response to changing times. In fact, a number of contributors in this House from the government side of the chamber have spoken about an outmoded industrial relations system. They say that this legislation has basically been crafted in response to this, and that we need to enhance our productivity to enhance our employment.

But, interestingly, to find the genesis of the basis of the government's industrial relations changes you need to look into the past. In fact, you need to look at this speech. It is headed: 'Transcript of a speech given by the Hon. John Howard, MP, Shadow Minister for Industrial Relations, Employment and Training, on the occasion of the launch of the coalition's industrial relations policy, at the Sheraton Wentworth Hotel, Sydney, on Tuesday, 20 October 1992.' That is 13 years before the legislation was tabled in this place.

If I may, I will draw attention to some of the Prime Minister's words with respect to the industrial relations policy that was launched, I presume, as part of Fightback, which was rejected by the Australian people in 1993. He said:

Mr Chairman, I would now like to turn to a number of specific issues that may well arise under this industrial relations policy.

This was the policy of 1992.

The first and most important of these, which I foreshadowed earlier, is the question of minimum conditions. Obviously if people remain within the award stream then those people will continue to enjoy the conditions but if, on the other hand, people enter into a workplace agreement, then there will be certain minimum conditions that must be observed in relation to that workplace agreement. That means every workplace agreement that is written will need to respect these minimum conditions.

The first of those will be a minimum hourly rate of pay, calculated by reference to what otherwise would have been the award minimum if the person in question had remained within the award. And it is very important that I emphasise that it will be an hourly rate of pay. That carries with it an enormous change under this policy. What it means is that the policy is effectively abolishing the concept of a fixed working week. What it means is that the length of the working week, and whether somebody is paid penalty rates, or holiday loadings, that all of those things will become, if people go into workplace agreements, will become matters of negotiation.

This is 20 October 1992. He continued:

I've frequently said—

and this gives a pointer to why we are really debating this legislation—

as I've gone around Australia, as has John—

that is, John Hewson—

talking about this policy that if we really want to modernise the Australian economy, if we really want to internationalise the work practices of Australia, if we really want to make the Australian workplace competitive with the rest of the world we have to embrace a very important principle, and that is if somebody makes a capital investment in this country—

that is, a business, small or large—

they ought to be able to run that capital investment 24 hours a day, seven days a week, 365 days a year without penalty as to the time of the day or night they run that investment.

So do not come into this place saying that this is something that has just been crafted to

increase and enhance workplace productivity when, in the words of the now Prime Minister on 20 October 1992, he forecast exactly what is going to happen to this place, to this country, if these legislative provisions are introduced. If I may just continue further in the Prime Minister's words, the second minimum condition—

Ms George interjecting—

The DEPUTY SPEAKER (Hon. IR Causley)—The member for Throsby should restrain herself.

Mr BYRNE—It is a very worrying development, Mr Deputy Speaker, going back to the Prime Minister's words in the past. Many people in this House have been reflecting on what has been said by past opposition leaders. I think we also need to look at what has been said by the past opposition leader who is now Prime Minister. He said:

The second minimum condition that will have to be observed is four weeks' annual leave.

Have you heard that before?

The third minimum condition will be two weeks' non-cumulative sick leave.

And the fourth, will be twelve months' unpaid maternity leave subject to twelve months' prior service in the relevant work or occupation.

Ms George—Sounds familiar.

Mr BYRNE—Does that not sound familiar, Member for Throsby?

Ms George—Very familiar.

The DEPUTY SPEAKER—The member for Throsby is warned.

Mr BYRNE—Because it sounds awfully familiar to me. Now it is interesting that, in 1992—when the opposition did have the guts, I guess you would say, to put forward their principles in a policy document which was rejected by the Australian people in 1993—the document said:

Not even the most supreme sceptics about the principles of mandates in politics could conceiva-

bly argue after the next election that we wouldn't have a mandate for industrial relations reform. Some of us have talked of nothing else for the past eight or 10 years, and one of the reasons that the coalition has been so resolute in putting forward clearly and succinctly the policies on which we stand, why John Hewson has stood so firmly and so rock solid in favour of the policies that we have enunciated, is our fundamental belief that if you are open and candid with the people before you win the election then you have the moral authority to do what you said you were going to do after the election.

Where was this document prior to the last election? Do you think that the Australian people, after having rejected a document like this in 1993, would have voted for this? So the Prime Minister has been hanged by his own words on 20 October 1992. But he has in fact done us the favour of speaking about this issue again. That was in a debate on a matter of public importance on 29 April 1992. He was talking about the then Prime Minister Paul Keating, and he said:

The Prime Minister falsely alleged—

this was when we were debating the Fight-back package—

that workers will have their conditions driven down. They will not. There will be a minimum wage calculated on an hourly rate. There will be minimum requirements regarding such things as annual leave and sick leave. But let me make it abundantly clear to all members of the Government, in case there is any doubt on their side, that we believe that such matters as penalty rates, the length of the working week, overtime, holiday loadings and all of those things that are holding back the needed flexibility in Australia's industrial relations system ought to be matters for negotiation ...

It was 1992 when the now Prime Minister, in this place, said:

We do not shy away from that. We do not walk away from it for a moment.

What do you think the Australian public would have said if they had had that docu-

ment put in front of them in the 2004 election? Do you think they would have voted for that, knowing that they would have had to work under that system? The words of the Prime Minister reflect back to the real intention of this legislation. Let me reiterate it.

Ms George—It's a great quote.

Mr BYRNE—It is a great quote from the Prime Minister.

The DEPUTY SPEAKER—If the member for Throsby wishes to stay in the parliament, she will abide by the rulings of the chair.

Mr BYRNE—Let us look at the animus, the driving force of this legislation. Working families and particularly Family First, who had asked for a family impact statement, will now understand why they have not been given one. I do not know if anyone in this place who is sitting here at the present time has seen the proposed and promised family impact statement that was supposed to have been given to Family First to validate and to verify this legislation. My understanding is that they have not been given it, but perhaps, when Senator Fielding looks at this transcript, he might understand why he has not been given it. Let me reiterate it:

... if somebody makes a capital investment—

which is a business—

in this country, they ought to be able to run that capital investment 24 hours a day, seven days a week, 365 days a year without penalty as to the time of the day or night they run that investment.

So what does it say when people come into this place from that side of the House, saying that this is not going to impact on families, when their leader, who is the spiritual creator of this particular legislation, has basically forecast what will happen?

In my view, and in the view of a number of people in this place, basically the job of governments is not to eliminate markets. It is

not a democratic socialist party creed to eliminate markets. But, when Labor deregulated the financial markets and deregulated the economy in the eighties, as it had to do, it put a fundamental underpinning with respect to family payments, with respect to the industrial relations system. It realised that to compete in the international economy it had to globalise the economy—not without some level of pain, I might add—but it did not allow the market to operate as an unfettered force which alone determined the working conditions and lives of Australians.

Let me give you a quote from a conservative marketplace analysis—written, I think, by a professor of philosophy—and let us see how it applies to the industrial relations legislation that has been brought forward by this government. It says:

... the market ... does not easily coexist with institutions that operate according to principles ... antithetical to itself: schools and universities, newspapers and magazines, charities, families. Sooner or later the market tends to absorb them all. It puts an almost irresistible pressure on every activity ... to become a business proposition, to pay its own way, to show black ink on the bottom line. It turns news into entertainment, scholarship into professional careerism, social work into the scientific management of poverty.

In essence, this says that it is antithetical to families if you allow market forces solely to drive policy. But does not this legislation do that? Is it not the end of the train line for the Howard government? Is it not giving, through its use of the corporations power, the capacity to the market to drive everything? Working conditions are to be set by the market, by business, and where are the protections for the workers who have delivered productivity gains to this country? It is not the government that has delivered productivity increases; it is the Australian community. It is the Australian workers, within the current industrial relations system, who have

delivered those productivity increases. Why then is the government making a scapegoat out of those people, out of the community who have delivered the economic productivity that we now enjoy?

As well as the letter that I have quoted from, there is another document, from the churches. Peter Jensen, when talking about this on behalf of the churches, said that he had some level of anxiety about the so-called Work Choices bill that has been brought into this place.

The other thing I have never seen in my time in politics—and I thought I had seen it all in my six years in this place, particularly after the GST advertising campaign—is the amount of advertising that has gone into falsely misrepresenting what is actually going to occur in the workplace, without legislation being brought into this place. Many older members on that side of the place would never have tolerated that if they had greater say—I know that for a fact. I know that there is great unease on the coalition side about what this government is doing.

The great thing about a Senate which is not controlled by the government of the day is that it operates as a check and as a balance. The Australian people gave this government control of the Senate in 2004 but we must remember that they expected the government to operate with control—in essence, to use its untrammelled power conservatively, not to punish them. Yet one of the first major things that has occurred is so-called reform that will profoundly change their working lives and make their lives less secure.

It does not matter how much advertising you do. It does not matter how many glossy brochures you pulp or put out. The fact of the matter is that this is the last will and testament of the Howard government and John Howard. But John Howard has to remember the following. He said he was going to stab

the Industrial Relations Commission in the stomach and, in effect, destroy the industrial relations system. People will remember that he stabbed the Industrial Relations Commission, and he should be very careful, given his abuse of untrammelled power in the Senate, that the Australian public does not cut his throat at the next election. (*Time expired*)

Mr VASTA (Bonner) (7.18 pm)—I rise to speak tonight about the position that I maintain regarding this government's industrial relations reform. Bonner is Queensland's most marginal seat and, as a result, the electorate has been targeted in the debate over this issue by both the Queensland unions and the media. I understand the sensitivity of this issue. However, let me be clear in saying that I make no hesitation in confirming my strong support for the proposed workplace reforms. Furthermore, I make clear my intention to vote for the Workplace Relations Amendment (Work Choices) Bill 2005, which has been set before the House, and I will remain firm on this decision.

Since the introduction of the proposed reforms, my electorate office has been the target of several union protests. Threats have been made by union officials that they will 'doorknock every house in the electorate' until the Bonner constituency understands the union's view on the matter. Politics, however, is not about polling the electorate on each current issue and then trying to vote accordingly. I have been elected as the federal representative for Bonner and with this position comes a duty to consider what is in the very best long-term interests of both the electorate and Australians throughout this country. It is about weighing up the factors involved in each issue and deciding on what will deliver the best possible outcomes for the people that I represent.

I have carefully considered the reforms that the government has proposed and, in

doing so, I have also considered the following three points: firstly, the opinions that have been expressed by various constituents, community organisations and small businesses in the electorate; secondly, the current workplace relations system and the position this country and its workers and employers would find themselves in if this system were to be maintained for the next 10 years; and, thirdly, my own experiences as both an employee and a former small business owner, employing at one time over 60 staff. It has been through these considerations that I have come to the conclusion that the industrial relations reforms are in the national interest and will ultimately benefit Australian workers, employees and small business.

Consequently, I will be voting for this bill in full confidence. Given the current climate of objection to proposed changes, this is a tough decision but one that I will not back down on. I will be judged on account of the stand that I have taken. However, I have absolutely no doubt that history will ultimately show that it took a strong government under the leadership of a strong Prime Minister to deliver the benefits of a reformed industrial relations system. Australia cannot stand still. This government is looking to the future and making tough decisions about what changes are needed now to secure long-term benefits for the country and its people.

On Friday, 4 November, an article appeared in the *Courier-Mail* entitled 'Planned workplace change is music to his ears'. It told the story of Allan Todd, owner of Todds HiFi chain in Brisbane, and his plans to fully embrace the proposed changes. With a store in the Bonner suburb of Tingalpa, Mr Todd shares the views of other business owners in the electorate who believe that the reforms are overdue. Mr Todd is correct in saying that the industrial relations changes seem to have attracted the same unfounded fear that surrounded the introduction of the GST. He

is a business owner who understands that the current workplace system is far too ambiguous and, therefore, needs to move towards a simpler single national system.

Not only will small business benefit from these changes but also workers can rest assured that they will be better off under the Work Choices system because it will preserve existing protections in the current system while making it easier for workers to be rewarded for their work with higher pay and more flexible working arrangements. The previous one-size-fits-all award system failed Australian workers. It did nothing to prevent one million Australians from becoming unemployed in the early-nineties recession. Most employees are likely to find that their existing awards and agreements will remain in place and not be affected. There is no obligation to switch to new agreements and, for those who do, it will be unlawful for any employer to force an employee onto a new agreement against their will.

It should not be forgotten that the exact same predictions of doom and gloom were made when the Howard government's first workplace relations reforms were implemented in 1996. Back then, Kim Beazley predicted lower wages, social division and more industrial disputes. In contrast, real wages have risen by 14.9 per cent since 1996 compared with 1.2 per cent between 1983 and 1996. In addition, unemployment is at a 29-year low and industrial disputes have fallen to the lowest levels ever recorded.

Ultimately, the key factor in workers being better off is a healthy economy. The new workplace relations system will help to ensure that the economy remains healthy, and it should be viewed as a blueprint for positive change and progression over the next five or more years.

Ms HALL (Shortland) (7.24 pm)—There are defining moments in the history of all

nations and one of those moments was the last federal election—the election that delivered the Howard government control of both houses of this parliament and released it from the requirement to justify its extreme and reactionary legislative program. Since that election, the Howard government has resurrected its most extreme reactionary policies—the ones it fantasised about—and now is seeking arrogantly to force them onto the Australian people. These are policies it did not dare take to the last election and tell the Australian people about—policies like the industrial relations legislation that some of us are debating here in the House today but which the government will prevent all members from debating. Why didn't the government tell the Australian people about this policy? If the Australian people had been told that the government intended to introduce this draconian piece of legislation, they would not have returned the government at the last election.

This is an arrogant government. It is a government of ideologues. It is a government that is a slave to its extreme reactionary philosophy and to its bosses in big business. While ignoring the needs of ordinary, average working Australians and their families, this government arrogantly and very subserviently follows the demands and the desires of its mates in big business. The Workplace Relations Amendment (Work Choices) Bill 2005 is just that type of legislation. It is bottom-drawer legislation. By that, I mean this is legislation that you keep in the bottom drawer and hope one day to be able to push through parliament. It is legislation that fantasies are built on. This is the kind of legislation that the government used to sit around the table discussing, saying, 'One day we may be able to push this through parliament.' It is the type of legislation that, on the other side of the House, dreams are built on. The sad part about this legislation is that it will

change the face of Australia. With this government arrogantly ramming these changes through the parliament, there has been a betrayal of all Australian workers and all Australian families. It is arrogance in the extreme.

This government has shown its absolute contempt for the Australian people by spending \$55 million on a propaganda campaign. That is a gross misuse of taxpayers' money. I am not opposed to the government undertaking legitimate advertising campaigns, but I believe that it should give unbiased information to the Australian people and tell them what the government is really doing. But that is not what this legislation is about. Unfortunately, it is legislation that looks after the government's mates. Look at some of the questions that have been put to the government this week in question time—questions that I think go to the very heart of this advertising campaign. The other day, the government admitted to having spent \$50 million—I think it is now up to \$55 million—on this propaganda campaign. The government produced 458,000 booklets—nearly half a million—and then pulped them. Those booklets were pulped at a cost to the Australian people of \$152,000. If producing these booklets were not bad enough—these one-sided booklets that do not give the full information—the government has made it twice as bad by pulping them. Add to that the fact that these booklets were printed by Salmac and that one of the directors of that company has donated almost \$120,000 to the Howard government.

Debate interrupted; adjournment proposed and negatived.

Ms HALL—Mr Speaker, thank you very much for allowing me to continue my contribution. I was aware that there was an agreement that this debate should be allowed to continue until eight o'clock. I was just a tiny

bit upset when I thought that it was going to be closed down.

This legislation will be very detrimental to the Australian people. Workers' jobs are going to be less secure. Families will suffer as people work longer hours. Workers will be on their own. They will have to sign contracts or they will not get a job. As I have already mentioned, the Howard government has spent millions of taxpayers' dollars on propaganda for this legislation. The choice will be signing a contract, taking a cut in pay and conditions or not getting a job. There will be no job security. If you change jobs, you will be exempt from protection under the unfair dismissal laws for the first six months. That is not good enough.

Workers in Australia need a strong safety net of minimum award wages, a strong independent umpire to ensure fair wages and conditions, the right to bargain collectively for decent wages and conditions, proper rights for those workers unfairly dismissed and rights to join and be represented by a union. All these things will go under this legislation; they are under attack. The final nail in the coffin will be the removal of the role of the Industrial Relations Commission to determine increases in award wages.

Let us look at the history of this government when it comes to the minimum wage. If the Howard government had had its wish all Australian workers would be \$50 a week worse off—that is \$2,600 a year they would not be receiving. In 1997 the Howard government recommended an increase of \$8 per week, and workers were awarded \$10 per week; in 1998 it was \$8 again, and workers received a \$14 per week increase; in 1999 it was \$8 a week, and workers received a \$12 per week increase. Finally, the Howard government fought to give workers an increase of \$11 a week but the Industrial Relations Commission awarded \$17 a week. It is a

very poor record that shows where this government is coming from.

The government's approach to getting this legislation through parliament has been to ask: 'How far can we go?' and 'How can we trick the Australian people into believing our rhetoric?' It is all about smoke and mirrors and pushing through extreme legislation. The reality is that this legislation is designed to exploit workers, not to create opportunities. In a strong economy, you do not need to undermine families. This legislation is undermining workers and families.

Under the current system, which is supposed to be so bad that we need these draconian changes, these extreme changes, we have a strong economy, a historically low level of industrial disputes, sustained productivity and economic growth and strong and record high profits for companies. That is hardly a system that is broken. Why change a system that is working so well? If it is not broken, don't change it. I remember very distinctly the Prime Minister arguing that way when the republic debate came before this parliament—if it ain't broke, don't change it. To my way of thinking, this system is not broken, so why should you change it?

This legislation will allow businesses to unilaterally determine the pay and conditions of workers, without involving unions or industrial tribunals and without collective bargaining or awards. It is legislation that will give maximum power to the employers and minimum power to the workers. That is the Howard government's approach to all issues. It will create an imbalance of power. It is taking Australia back to the 19th century. It is a return to the old master-servant situation, where we had seven-year-olds up chimneys. These days it will not be seven-year-olds up chimneys, but it will be the equivalent.

This legislation is a disgrace. The approach is not one that should be sanctioned by a civilised society such as ours in Australia. These laws strike at the heart of our democracy and take people's control over their lives away from them. It is a move towards a US system, a system of working poor. In eight years, there has been no increase in the minimum wage there: the minimum wage is \$5.13 an hour.

The unfair dismissal provisions of this legislation allow for the removal of protection for millions of Australians. There will no longer be an award system or the safety net that underpins the labour market. The legislation gets rid of penalty rates for weekend work and gets rid of shift allowances. Over time they will be gone. Allowances, public holidays, annual leave loading and meal breaks are all under threat from this legislation. You name it: it is up for grabs. There will be pressure on workers to sign AWAs. If they do not sign them they will have no job. Proposed new section 120B outlines very clearly that if an employer insists that an employee signs an AWA in order to get a job it will not be considered to be duress.

This legislation will strike at the fabric of our society. This will happen because of the actions of the most arrogant and extreme government in Australia's history. Despite this government's massive advertising and propaganda campaign, which is an assault on the Australian people, the government has not been able to dupe the Australian people. The Howard government has failed there.

Let me give people an idea of the situation. Numerous people have contacted my office. I have had two public meetings that a large number of people within the electorate have attended. This is an issue that ordinary, average working people are concerned about. Mr Ross Iserief of Budgewoi says:

If the I.R. law is passed will the government be under the same obligation as the rest of the workers of Australia or just hanging onto the pay rises of the judges? I don't believe that the government of the day will give up that perk.

He does not believe that the government of the day has the authority to do this. He is very critical of the advertising campaign that the government has launched. Another constituent, Mr Bob Crawford, of Belmont, has gone through the advertisement that the government has put in the papers. He picks out a few areas. He speaks of the workplace relations system. He says:

Current workplace relations systems are standing in the way of what? Please explain.

He wants the government to explain. He does not agree that it has been undermining the prosperity of the country, for the reasons I have stated. He highlights all the issues in relation to this legislation. I seek to table his letter.

Leave granted.

Ms HALL—I thank the House. I felt that I needed to table the letter as I have limited time remaining. I would now like to focus on two speeches that were made in the House on Monday night. One was made by the member for Throsby. The other was made by the member for Dobell.

In his speech, the member for Dobell spent considerable time attacking the opposition frontbench and very little time justifying the position that he has taken and how these changes will improve the lives of the workers in his electorate. He talked about the fact that he does not believe that the reforms will have any impact on job security. He says the legislation will not remove protection against unlawful termination. It is not unlawful termination that is going to make over two million workers' jobs insecure; it is the removal of the unfair dismissal provisions that the member for Dobell supports all the way.

The member for Dobell talked about unfair dismissal claims being just go away money to avoid the costs involved in disputes. He should have some respect for the workers in his electorate. He should be aware of the fact that most workers are dedicated and really care about ensuring that their place of employment prospers, because the prospering of their place of employment ensures the security of their jobs.

The member for Throsby highlighted the fact that the member for Dobell was parroting the lines that had been prepared for him. That was shown again in the Main Committee today when I challenged him by asking him a question and he refused to answer it. If it is not written, he cannot say it. The people of Dobell deserve a member that understands the issues that are important to them.

I would like to challenge the member for Dobell to have a debate with me on the Central Coast on the issue of industrial relations. I will be arranging a public meeting in the very near future, and I will be asking him to come along and debate this issue so that I can tell the people of the Central Coast why I have opposed this legislation and why I will oppose it all the way along. He can share with the people of the Central Coast why he thinks that making their jobs less secure, attacking their working conditions and putting in place legislation that will lead to a loss of pay should be accepted by them. I am looking forward to debating this issue at great length with the member for Dobell.

This legislation is a disgrace. It is un-Australian. It is removing fairness and decency from our society. It will lead to lower wages and poorer conditions for the most vulnerable people in our society. When these industrial relations changes are coupled with the Howard government's welfare to work legislation, the least secure, the lowest skilled, the people with disabilities and sin-

gle parents will become Australia's working poor, and this government will have achieved the Americanisation of Australia's workplace.

We will have a situation like the one I viewed in the Michael Moore documentary *Bowling for Columbine*, which depicted parents going to work early in the morning and returning home after dark. It does not end with workers. Every pensioner will be affected by this draconian legislation. As average weekly earnings are pushed down, so will the pension be pushed down.

Who will benefit? The government's mates in big business—the people whose approval this government sought before releasing details of the legislation. That can be verified by the fact that the Business Council of Australia is conducting a \$6 million advertising campaign to sell the government's legislation. (*Time expired*)

Mrs ELSON (Forde) (7.45 pm)—I am pleased to have this opportunity to contribute to the debate on this very important piece of legislation. The Workplace Relations Amendment (Work Choices) Bill 2005 builds on the substantial reforms that have been introduced by our government since 1996. It moves to establish a single national system of workplace relations with the establishment of the Australian Fair Pay Commission. It sets in place the Australian fair pay and conditions standard that will protect minimum wages. It will protect annual leave and it will protect parental leave. It will also protect personal leave and the 38-hour working week. So I can assure the member for Shortland that she can tell her constituents that they have nothing to worry about.

This legislation sets in place protected award conditions that must form part of any bargaining process, such as public holidays, rest breaks, incentive based payments and bonuses, annual leave loadings, allowances,

penalty rates and overtime loadings. This legislation simplifies the agreement-making process. It opens the path to more suitable dispute resolutions. It provides for protection against unlawful termination. Most importantly, it sets in place a fairer unfair dismissal system—one that does not discourage employers from hiring new staff, one that does not allow for frivolous claims and one that does not do damage to our economy and hamper job creation.

Let us be clear about this: this legislation is firmly aimed at improving working conditions for Australian men and women. It is about creating a flexible system that will meet the needs of all Australians as well as challenges for the 21st century. It is about a system that strongly adheres to the values of a fair go for all and it retains the important conditions that we have worked hard to secure over the years while jettisoning some of the antiquated aspects of the system that are clearly holding us back.

I want to state my support for this legislation, and I want to state that support in the context of my strong working class origins. I have always been what those opposite would call a battler. I realise that it is a term that is often bandied around this House very loosely, but I really mean it in a traditional sense. I was one of nine children. I left school at 13½ to work in a factory to help support the family. I have had a range of real jobs in retail, in running my own business and in fundraising for the disabled. I have raised eight children in very difficult times under Labor. I have had second and third mortgages to keep my house and family home. I have not come to this place with the privileges and comfortable upbringing of those opposite.

I say all of this for no other reason than the fact that Labor and the unions are once again trying to turn this important policy

debate into some kind of class warfare battleground. They have made some utterly outrageous allegations, some utterly baseless claims, and it is all in the name of unions retaining their power and Labor desperately trying to gain power. The implication is that the government do not care about workers, that they do not understand the struggles of Australian workers and that all bosses are cruel and heartless and are only concerned about the bottom line. This implication is so far removed from reality, it is truly laughable.

As the Prime Minister has said many times in this place, this government has been the best friend Australian workers have ever had. Under the Howard government real wages have risen, living standards continue to rise and interest rates have remained low, which helps to relieve pressure on the family budget. Equally important, though, is that we have given more people the chance to be a worker by helping the economy grow and businesses create well over a million new jobs. Unemployment in the electorate of Forde has dropped to five per cent, the best figure for the past 20 years. This is an important point: we have helped more people become workers. If the trade unions had real relevance, or served a genuine purpose in the workplace, they should have been able to increase their membership rather than have it continuing to fall.

We can contrast all of this with Labor's effort the last time they were in office. We should all keep this uppermost in our minds. We had record high unemployment, record high interest rates, living standards falling and real wages decreasing—yet, at every turn, they opposed the things we have done to create a strong economy and give people a better lifestyle. Labor opposed tax reform and they made many outrageous claims about how it would impact on people. They ran around, in what became their signature

Henny Penny style, telling everyone that the sky was about to fall—life would never be the same, our country would be ruined, our economy would be devastated, our unemployment would increase and people across the nation would be worse off. But tax reform, including cutting income tax and abolishing a raft of Labor's hidden taxes, has been introduced and implemented. The funny thing is that none of Labor's dire predictions have come true—not one. Life went on in a manner now expected by the Australian people: unemployment decreased, the economy continued to grow strongly and consumer spending continued to reflect the Australian people's optimism.

With this legislation Labor and the unions are trying to do the exact same thing: they are trying to scare the Australian people into believing that the sky is about to fall. Kim Beazley has even compared these reforms with terrorism, saying that they were a massive threat to civil liberties—greater than the government's antiterrorism laws. Then of course there were all those Labor people and the Greens—those conspiracy theorists—who said that the Prime Minister was merely trying to deflect interest in the legislation by making the announcement that he did last week and rushing the changes to our antiterrorism laws that yesterday helped facilitate the arrest of 17 people suspected of plotting a terrorist attack. We all agree on this side that that is quite frankly beyond the pale. That is the worst form of playing politics with a serious national issue. Believe me, the Australian people will remember this.

But such is the hysteria that Labor and the unions have sought to create in relation to these reforms. Greg Combet said on 3 November that all employees will lose their unfair dismissal protection if their employer claims to have made an operational change. The fact is that this is not true. The employee still has the right to make an unfair dismissal

claim and the Industrial Relations Commission would determine whether the employer had made a strong enough case that the dismissal was for genuine operational reasons.

It is simply ridiculous to assert, as Kim Beazley did the very same day, that the boss could use the operational reasons claim to sack someone who refused to buy his lunch. The Industrial Relations Commission would never buy that; it just would not happen. On the very same day, Simon Crean said it would be—

The SPEAKER—Order! The member for Forde will refer to members by their title or their office.

Mrs ELSON—a case of taking the AWA or the sack, when that member knows full well that, under section 170CK(2G) of the act, it will continue to be unlawful to sack an employee for refusing to agree to an AWA, just as it will be unlawful to apply duress to an employee in connection with an AWA. Many of the ‘maybes’ that Labor and the unions are trying to scare people with are possible now under the current system. They are not being altered by the legislation; they already exist. The fact is that, in most workplaces, it is not a case of them and us. Most employers see employees as a critical, important part of their business—as an asset. In many cases, they know them well and they plan to keep them by treating them fairly.

It makes no sense, especially in today’s competitive marketplace, to drive away decent employees. The cost of hiring and re-training is considerable. Most businesspeople just want to get on with their business, and they are not into power games or political struggles. It is not about the workers for unions; it is about their own jobs and keeping hold of the little power they have these days. I am proud to be part of a government that is committed to doing the right thing by all Australians, especially the decent, hardwork-

ing men and women in the Australian workforce. I know that time is precious in this debate, so I will conclude now. The Australian people have waited long enough and they deserve a first-rate industrial relations system that will truly meet their needs now and into the future. I am pleased to strongly support this legislation, and I commend it to the House.

Ms GRIERSON (Newcastle) (7.54 pm)—I rise to speak on the Workplace Relations Amendment (Work Choices) Bill 2005—or the Workplace Relations Amendment (Work Choices Not) Bill—to register my complete opposition. Perhaps it will not make the sky fall, as the member for Forde said, but it will certainly rock Australian families to their foundations, which are quite fragile. In the little time that I have, I would like to give some Newcastle perspective on this legislation. Firstly, the Prime Minister has claimed it rests on the great productivity gains that will flow from this legislation. Quite a few economists have disagreed with them and have quite bravely put their views.

I draw attention to Ross Gittins, for one particular reason. His articles—and there are many of them—have been very consistent. I have them here. He talks about the real value of work. He talks about the identity, dignity and self-worth that attaches to people from their work. He talks about the relationships that are strengthened by the work in our communities. He talks about the economic integrity and rigour that is needed to analyse this legislation and its impacts. He talks about family and community life, about the value of collective thought and action and the strength of our democracy—not individual choice—and working together to keep this country strong. He talks about the real wealth in this country.

I have to say that you can take the boy out of Newcastle but it is wonderful to see that

you cannot take Newcastle out of the boy. The member for Forde talked about battlers. I proudly represent a city of battlers who are proud that they strive and thrive in spite of governments and in spite of any adversity that is thrown our way. It is also important to note that this legislation shifts the most important principles in our legal constitution—the way we work and the way workplaces relations are run in this country—from the labour power to the corporations power. What does that mean? We are no longer talking about arbitration. We are no longer talking about two parties—the worker and the employer in their workplace—we are now talking about corporations power and about economic and employment costs. We are talking now about commodities and simple units of production. They are, of course, human people with human lives, human relationships and very human needs. That is one of the most draconian parts of this legislation. It is an insult to the heritage of this nation.

I will also mention another Newcastle person whom I do admire: Neville Sawyer. He is the Chairman of the Australian Chamber of Commerce and Industry. I admire him for his success in business. He has been a great employer. He has built up a business and control that has created wealth not just for him but for his employers. It has a national and international presence. It is a leading exporter. It is also a leading investor in training and research in our region. He set up a chair of research in power engineering at the university. I heard Neville speak at an industrial relations seminar conference in Newcastle at the end of October. Neville proudly said that, in the 37 years that his business has existed—and it is now all around the country—there have been three disputes. It interests me that the chairman of ACCI would say that, knowing full well that his business was built on enterprise bargaining agreements

and on the goodwill that exists between him and his employees. He could have rested on his laurels—and I wish he had—but he did go on to make the point that these changes are well and truly supported by ACCI. What a pity. He also said, ‘It’s our money’—the bosses’ money—‘that is on the line.’

It is the bosses’ money on the line, but it is also workers lives on the line and the harmony and cooperation that come from having real choices in the workplace. He said that, now, employers have choice over their workers just like they have over their suppliers. It sounded pretty impersonal to me. It does not do credit to the way Neville Sawyer has conducted his business in the Hunter and in Newcastle. Now we see business reality that will not match the rhetoric of the Prime Minister. We have had 15 years of economic success that has been built on the back of Labor reforms. That is the reality, but apparently ideology will prevail.

In the last minute I have to speak on this legislation, on behalf of all the Labor speakers who will not have the opportunity to put themselves on the record in this debate I give a commitment that Labor members will oppose this bill in all its forms and in all its implementations across the country. We will be the watchdogs over this legislation and how it impacts on people in our electorates, on people dear to us. We will do all we can to protect them and, when we win the next election, we will return their rights and make sure that these are destroyed. I seek leave to continue my remarks when the debate is resumed.

Leave granted; debate adjourned.

ADJOURNMENT

Mr BILLSON (Dunkley—Parliamentary Secretary (Foreign Affairs) and Parliamentary Secretary to the Minister for Immigration and Multicultural and Indigenous Affairs) (8.00 pm)—I move:

That the House do now adjourn.

Workplace Relations

Ms PLIBERSEK (Sydney) (8.00 pm)—I was listening with interest to the member for Forde earlier this evening. I know that she is a decent and thoughtful person. I can only but think that she has not read the Workplace Relations Amendment (Work Choices) Bill 2005 that is before the parliament, because if she had read this bill she would understand that the very sorts of people she was describing—herself, with her own difficulties growing up and as a parent raising eight children—are the people who would be worst affected by this legislation. This legislation will make it tougher than ever for workers to balance their work and caring responsibilities.

It was phenomenal today to hear the Prime Minister saying that this legislation was going to protect Australia from Paris style riots. Honestly! The member for Forde thinks it is going to make life easier for working families. It will not; it is going to make life harder. The Prime Minister thinks it is going to protect us from Paris style riots. It is beyond belief what this terrific new legislation will do.

Let us take a look at the reality. What do the minima contained in this bill mean for ordinary workers? They mean that there will be no minimum or maximum weekly hours, as long as there is an averaging across the year of 38 hours a week. This is an absolutely nonsensical provision. We heard, thank goodness, in the Senate today that the government is reconsidering it. What does this 38-hour average mean? It means that any worker can be expected to work 20 weeks in a row for 70 hours a week and they will not know after those 20 weeks whether their employer is doing the right thing. They will not know until week 53 whether their employer

has been doing the right thing, because their hours are averaged over a year.

What is interesting about this, of course, is that there is also a provision in section 91C of the bill which says that the employee must not be required more than (a) the 38 hours averaged over the year and (b) reasonable additional hours. What does this mean? What do 'reasonable additional hours' mean? It means, of course, that even the 38-hour maximum averaged over a year is a complete nonsense. Can you imagine some poor apprentice going into the employer after his or her 10th week of working 70 hours a week during a busy period and saying, 'Excuse me, sir, but I am not sure whether you are meeting the rules'? Under this provision in the Work Choices legislation that apprentice is not actually entitled to a written statement of their employment status or a written record of their pay and hours worked. They have to go in and beg for some record of their hours worked. If the employer does not like the look of them and they are in a business with fewer than 100 employees, that is the end of them—goodbye, sonny.

What about stable income? Families depend on stable income from week to week to pay the bills. They depend on stable hours so they can get child care for the kids. They need stability so they can make commitments outside of school and child care, like taking the kids to sport. No-one will give them a car loan let alone a house loan if they do not know what they are going to be earning from week to week.

This legislation gives almost total control to the boss over how many hours a week someone is going to be working, making planning family life impossible for families. It also means, because the employee has no control over their hours worked and the employer has complete say over how many hours work someone needs to do, that there

is no meaningful entitlement to overtime payments. The 38-hour week averaged out over a year means nothing at all. A worker can be working 70 hours a week one week and be entitled to no overtime because the boss says: 'That's okay. We'll make it up later on in the year. You'll work less later on in the year.' You could be working 70 hours a week with no penalty rates—you could be working at 3 am on Christmas Day with no penalty rates under this legislation. That is what will happen in the worst jobs in this country. That is the sort of future workers who have the least protection are facing.

There is no entitlement to higher rates of pay for unsociable hours; no legal entitlement to certainty of scheduling; no legal entitlement to a written statement of employment status or pay or hours records; no job security; no legally mandated career structure—nothing that says when you increase your skills you actually move up a grade. There is nothing in here that guarantees that. The member for Forde said that nobody is going to be forced onto an AWAs—not unless you are one of the 25 per cent of Australian workers who changes jobs every year, when the boss can say to you: 'Take it or leave it. If you don't like the conditions in the AWA, there's the door, son.' (*Time expired*)

Remembrance Day

Mr BROADBENT (McMillan) (8.05 pm)—On this day in 1989—it seems so long ago—the Berlin Wall fell and freedom broke through and reigned across Europe. This Friday, on the 11th hour of the 11th day of the 11th month, we will remember young Australians whose passing into the silent land we will honour by becoming silent ourselves. I dedicate this small piece to Roslyn Bryan from South Gippsland and all the amazing people that today work with our veterans.

On 11 November 1918 the guns of World War I fell eerily silent. On Friday we will remember also the silence that echoed in the homes of those who did not return. More than 60,000 people paid the ultimate price for their service to our nation. On this day so long ago the armistice marked the end of more than four years of death and destruction. For two minutes on Friday we mutely reflect upon those four years, etched in our national consciousness for 87 years, remembered with gratitude for eternity.

We observe a tradition born in a time when the vast majority of Australians could pause for a moment and recollect a name, dwell upon a face, evoke the loss of some precious personal moment lost for all time but in memory. In years past, services such as those that will be held on Friday were a gathering of something still raw, something newly lost—the slow-burning grief following the loss of a father, a brother, an uncle or a friend still present. There was hardly a town or family in Australia that escaped the effects of the war.

Today it is different. Today, thankfully, many Australians, particularly our younger generations, have no personal experience of war. Thankfully, many Australians have no personal context with which to know the brutal, awful, mad struggle of war. They have not lived through the terrible, bloody consequences for millions the world over. They have not seen with their own eyes a victory overshadowed by military and political errors so grave that, instead of fulfilling the prophecy of some that it was a war to end all wars, sowed the seeds for a second, even more horrendous, war. For these reasons, it is different today. Out of the tragedy of war we can learn a lesson about ordinary people and their deeds—that they are in fact not ordinary at all. It was not the generals and the politicians of that war who taught us the greatest lessons of hardship and endurance of

spirit, but the soldiers, sailors and nurses. It was they who laid for us the foundations of our belief in mateship and resilience, in boldness of courage and of sticking together.

Renewing our pledge on Friday, we will give thanks for the gifts we were given, the assurance of the survival and success of our liberty. We will give thanks for the monumental value, yet selfless effort, placed in upholding and growing our then fledgling democracy. Our free nation, our independent land where our desire to think, speak, worship and do was enshrined by those who gave us the greatest sacrifice of all.

Following World War II, Armistice Day was renamed Remembrance Day and, 87 years after the armistice, we continue to acknowledge a minute's silence, where we wear a red Flanders poppy. The poppy was among the first living plants that sprouted from the devastation of the battlefields in northern France and Belgium after World War I. Flanders Fields, in Belgium, marked the last of the battles in the first year of the war in 1914. It was Colonel John McRae, Professor of Medicine at McGill University in Canada before World War I, who first described the red poppy, the Flanders poppy, as the flower of remembrance. Although he had been a doctor for years and had served in the Boer War as a gunner, he went to France in World War I as a medical officer with the first Canadian contingent. It had been an ordeal that he had hardly thought possible. McRae wrote of it:

I wish I could embody on paper some of the varied sensations of that seventeen days ... Seventeen days of Hades!

At the end of the first day if anyone had told us we had to spend seventeen days there, we would have folded our hands and said it could not have been done.

One death particularly affected Colonel McRae. A young friend and former student, Alexis Helma of Ottawa, had been killed by

a shell burst on 2 May. Lieutenant Helmer was buried later that day in the little cemetery outside McRae's dressing station, and McRae had performed the funeral ceremony in the absence of the chaplain. It was that loss that provoked the poem *In Flanders Fields*, which I will quote:

In Flanders' Fields the poppies blow

Between the crosses, row on row,

That mark our place; and in the sky

The larks, still bravely singing, fly

Scarce heard amid the guns below.

We are the dead. Short days ago

We lived, felt dawn, saw sunset glow,

Loved, and were loved, and now we lie

In Flanders' Fields.

Take up our quarrel with the foe:

To you from failing hands we throw

The torch; be yours to hold it high.

If ye break faith with us who die

We shall not sleep, though poppies grow

In Flanders' Fields.

Workplace Relations

Mrs IRWIN (Fowler) (8.10 pm)—If you want to see the effect of the government's workplace relations changes, then a visit to my electorate of Fowler would be a good place to start. Fowler has more low-income families than any other urban electorate in Australia, and it has the highest number of unskilled workers. Fowler has the lowest ratio of employed working age people, and only the remote electorate of Kalgoorlie has fewer women in the work force. Yet the neighbouring electorate of Hughes has the highest ratio of employment in Australia and a much higher proportion of women in the labour force.

As one professor famously asked, why is it so? One explanation has been given by University of Sydney Professor of Public Economics, Patricia Apps. She argues that

married women weigh up the cost of going back into the work force against staying at home and receiving tax benefits. If you count the cost of child care, transport, work clothes, the extra cost of things like take-away meals and the loss of tax benefits, you can see that work becomes a marginal proposition. Add to that the disadvantage of poor English skills, which make negotiating a fair wage or flexible hours difficult, you can see why so many women in Fowler choose to stay at home. While my colleagues from other electorates complain about the shortage of child-care places, my letterbox is full of flyers from local child-care centres advertising vacancies. This is the situation under the present IR laws.

What will happen in the brave new world of the government's Work Choices? Quite simply, more married women will choose not to work. While the government and employer groups think that lower minimum wages will make it cheaper to hire unemployed people, others disagree. Professor Apps says that, if the minimum wage falls lower, married women will withdraw their labour, the GDP will contract and the tax base will fall. This is already happening in Fowler. It is a step back to the 1940s, before the time of washing machines and vacuum cleaners, when housework was a full-time job. Married women are not lured into the work force by wage levels that leave them worse off. They are voting with their bare feet and heading back to the kitchen. They are no longer taking in each other's washing, as the modern service economy has been defined. They do not need to pay for child care, they cook the family's meals rather than buying takeaway, and they can reduce the family's expenditure in many other ways.

All this may gladden the heart of the Prime Minister, with his white picket fence vision of Australian families, but I wonder what the Treasurer thinks of Professor

Apps's warning that GDP will contract and the tax base will fall. This is not some doom and gloom prediction; it is happening today in my electorate of Fowler. Unless all workers and married women, in particular, have access to secure employment with flexibility on their terms—not the boss's—they will increasingly choose alternatives to paid employment. Unless we have a genuinely family-friendly approach to working conditions, at best, they will choose limited hours of part-time work, a trend which is also apparent in many parts of Australia. For many families, Work Choices will mean that only one parent will choose to work, but there is very little indication that employers themselves will offer anything to attract low-skilled married women back to work.

Of course, in the case of single parents the government is making an offer they cannot refuse. Welfare to Work changes place this group at the mercy of employers. There are no work choices for single parents. This government is discriminating against women who have no partners. But for two-parent families in Fowler Work Choices can mean choosing not to work, and any reduction in wages can only lead to families in other electorates following that pattern. Rather than boosting the economy and employment, Work Choices will have the opposite effect. Family tax benefit payments will rise while GDP and tax revenue will fall. All the economists would agree that, under those conditions, unemployment will definitely rise. This is the brave new world of Work Choices.

National Security

Ms PANOPOULOS (Indi) (8.15 pm)—Over the last week, we have witnessed appalling examples of typical left-wing hatred of our cherished democracy and institutions. The majority of the electorate were right to have trusted our Prime Minister over the last

four elections. They were right to assess the coalition parties as the only parties prepared to act on commonsense in the interests of our national security. Their rejection of the Labor Party and the Democrats and their underwhelming vote for the Greens have been vindicated.

Last week, an amendment was moved to the Anti-Terrorism Bill 2005 to change the word 'the' to 'a'—in other words, to provide our police forces and ASIO with the capability to act against wannabe terrorists where the threat does not necessarily define a time or place. It was quite an acceptable amendment, and it was an amendment to which the Leader of the Opposition and the six Labor state premiers agreed.

What followed over the next few days was an extraordinary outpouring of bile and denial. The member for Grayndler responded to this amendment with crocodile tears by saying:

It's about time the Howard Government stopped playing politics with our national security because, quite frankly, it's just too important.

The perennial hater of the Western world, Senator Brown, who could not possibly bring himself to admit that the Prime Minister of this nation was acting in the best interests of its citizens, said:

We will not be part of this situation where the Prime Minister is manipulating this parliament and the people of Australia to gain political advantage.

As events have illustrated, this amendment was a key factor in the successful terrorist raids of two nights ago. Even Premier Bracks admitted that these raids could not have occurred without the legislative changes of last week.

But not to be outdone by the Greens, the Leader of the Democrats takes the award for conspiracy theories, claiming that the Prime Minister could have suggested to state police

commissioners that they undertake the raids to justify the legislative amendment. How gracious of her to even admit that she had no proof of political interference. Also, after the raids, the member for Kingsford-Smith claimed that what was really offensive was that the Prime Minister held a press conference at midday—prime time. According to the member for Kingsford-Smith, the IR legislation should have been more important in the mind of the Prime Minister. How extraordinary that the opposition think they can dictate the timing of the Prime Minister's press conferences.

One of the main responsibilities of the federal government is to protect its people. Can you imagine the government not acting on advice received from capable authorities and, instead, only focusing on one piece of legislation? An important piece of reforming legislation debated in parliament should not and does not cripple this government and stop it acting on other important matters. Members of the National Security Council are still expected to carry out their role in protecting the security of this nation. In acting on advice, that is all they were doing—their job.

A fundamental responsibility of government is also to ensure that citizenship and the privileges that accompany it are bestowed on those who respect our democratic system and our way of life. It is perhaps time to review the eligibility for citizenship, as the UK government has done. In the situation of dual citizenship, those who abuse their privileges as citizens, preaching hatred against the values that have made this country a free and prosperous nation, raising money to fund terrorism and inciting violence, should have their Australian citizenship revoked.

I commend the foreshadowed control orders that go some way in dealing with terror suspects who hold only Australian citizen-

ship. I applaud my friend and colleague the member for Bass's comments that those found guilty of terrorism should be deported if they have dual citizenship. The member for Bass is a young Australian who has a deep passion for this nation and its values. I commend his courage in reflecting the concerns and beliefs of mainstream Australia. The people of Bass made a wise choice at the last election. Not only is their representative an empathetic and hardworking local member; he is making a difference in matters that go to the heart of our democracy and political system.

Whilst on my feet, the issue of multiple entry visas also needs to be reviewed. We have madmen, so-called clerics, visiting from overseas—people like Sheikh Yasin. He preaches in support of the beating of unruly wives and the execution of gays, he rails against democracy and he wants to convert Aborigines to Islam. Two months ago I asked the Minister for Citizenship and Multicultural Affairs to amend immigration laws so that it would not be so difficult to cancel multiple entry visas held by people like Yasin. I call on the minister to again look at making such amendments.

Workplace Relations

Ms BURKE (Chisholm) (8.20 pm)—Why does the government protest so loudly about those ACTU ads? Is it because, as the government claims, they are dishonest? No. The government is complaining because it knows that people have identified with them so much and connected so emotionally with them. All of us can understand full well the anguish of that mum who has to choose between her job and her kids. That can already happen now, never mind how tremendously bad it is going to be when this legislation goes through. Do not be deceived: the government is screaming about those ads be-

cause it knows how emotionally effective they are.

This government has promised a barbecue stopper over work and family. It has finally achieved it with this appalling Work Choices legislation, which it has rushed through the House today. Has the government finally resolved the issues of balancing work and family? In a horribly morbid way it has, because this bill will be the death knoll of family time and family life.

The Archbishop of Sydney, Peter Jensen, said recently that without shared time we may as well be robots. Without relationships we are all like Winston Smith, living under the totalitarian rule of Big Brother, where everyone's thoughts and behaviours are censored, where Winston's and Julia's love is considered a crime and where he must be rehabilitated until his beliefs coincide with those of the party. That is what this bill is doing to families: it is rehabilitating them so that they have no family time and no family life. Relationships are what make our lives worth living. We can strive for money, possessions, power or celebrity, but it is our relationships that give us love, friendship, support and comfort.

More than anything else, relationships determine our wellbeing. I have some statistics from the UK—I cannot find the statistics for Australia, but I am sure they would bear out the same trends; mind you, they have been applauding the IR legislation currently in the UK—and in Britain today, 1,000 older people die alone and unnoticed in their homes every month, one in four children born in married households will see their parents divorced by the time they reach 16, one in three young adults do not know their neighbours faces and over one-third of all households share a meal less than once a month. This bill will enshrine that: we will all get to sit down and have a family meal

less than once a month. This bill will take away the ability to have rights over your hours. As the member for Sydney has elegantly said, it is all about certainty of hours.

It is funny that the government keep talking about awards. Most organisations, both big and small, do not operate under awards anymore; they operate under enterprise bargaining agreements. Those agreements are underpinned by the safety net award but, in those agreements, you can already negotiate anything you like. Trust me: I have negotiated hundreds of them, and I know. Seven years ago, when I was still working for the Finance Sector Union, companies were coming to us with the idea of aggregating hours over a year. I sat down for months working out how you would do that for a bank teller. NAB, ANZ and Westpac all wanted that in enterprise bargaining negotiations. We have got that in the bill because this is what these companies have always wanted. But tellers wanted certainty because they are mostly female and they are part-time. They needed certainty about the money they took home and they needed certainty about their hours because of their child-care needs.

It is not just about when your children are little—like mine—either; it is about when they get older. As your children get older, they need you when they come home from school. They need you at home to sit around and have a shared meal. Research demonstrates time and time again that, if you are having shared meals, your children are less likely to fall off the wagon, they are less likely to take drugs, they are less likely to binge drink and they are less likely to go into crime. This horrendous bill will take away the ability of families to have choice. It will take away the ability of families to have flexibility—the flexibility will be all one way. I negotiated for months and months about what were referred to as flexible working hours for tellers. It always came back to:

‘We’ve got to staff the branches.’ Of course, we know they do not really staff branches—I do not need to tell anybody that. So there was not any flexibility because, at the end of the day, you had to have the people there. The choices were all one-way choices. The choices in this bill are all one-way choices. We are not talking about unions’ rights; we are talking about families’ rights. (*Time expired*)

Parliamentary Delegation to the Middle East

Mr BAIRD (Cook) (8.25 pm)—I rise tonight to speak about a recent visit to the Middle East by a parliamentary delegation which included the members for Cook, Maranoa, Cowan, Swan, Blair, Kalgoorlie and Lingiari, and Senator Johnston. We visited Dubai, Kuwait and Iraq. There are several things about the visit that stand out, including the quality of Australia’s defence personnel overseas. I was impressed by the articulate way in which they presented their plans for the area, the way they spoke of the need to get along with the local community, their flexibility and, of course, their relaxed and laid-back manner. But they were still very focused on their objective, particularly when we went to Iraq.

I was impressed by the leadership of the team, including Commodore Geoff Ledger; Captain Trevor Jones, who was on duty protecting oil terminals in the north of the Arabian Gulf; Lieutenant Colonel Roger Noble; and our Ambassador in Baghdad, Howard Brown. I would like to thank our personal protection unit, including Kurt Black Sinclair, Luke, Fletch, Cliff Bell and Adrian Beard. We express our thanks to you for the protection you offered. We would also like to express our appreciation to Gus McLachlan, the secretary of the Joint Standing Committee on Foreign Affairs, Defence and Trade, for the way he served the committee. He was

quite selfless in his whole approach to the visit.

It was particularly interesting to see the areas in which our troops were commended. The naval vessel HMAS *Newcastle* was patrolling the area around the gulf oil platforms, which produce 80 per cent of Iraq's wealth, and boarding various vessels. It was a very impressive group that we met. We also met with some of the Air Force personnel and, at al-Muthanna and Camp Smitty, we met the defence forces and travelled in Bushmaster and ASLAV vehicles.

We met the Speaker of the Transitional National Assembly of Iraq, Mr Hajim Al-Hassani. Mr Al-Hassani is a Sunni who left Iraq and studied in the United States under the former regime. We also met the Kurdish deputy speaker and the Shi'ite deputy speaker. They talked about the devastation that Hussein had waged on their country, the legacy he left and how he had looked after a small minority and how that had resulted in a very direct negative impact on agriculture in Iraq and the closing off of education and the closure of the universities for some time.

Mr Al-Hassani appealed to Australia for assistance with training in agriculture in areas such as dryland farming and programs for the desalination of soil. He was particularly complimentary about the quality of our troops in Iraq. He said he would like to see more of them because of their valuable role in trying to restore order and sanity to Iraq. It was the same in al-Muthanna province, where we met with the governor. The Australian forces seemed to be flexible in the way they were dealing with Iraqis on the aid projects in which they were involved. This has ensured that the Australians have a very good reputation as they protect the Japanese engineers going about their work.

It was very interesting to see our troops at work, the quality of the people and the tasks

they are involved in. With the high vote that Iraq had for a constitution—it was 78 per cent—there is hope for the future. They are looking forward to elections on 15 December. Everyone said there were difficulties—we met with the US Commander and he indicated the difficulties—but they are moving on the insurgents from Syria and there is a feeling that the fear in the general population has gone. The insurgency will continue for some time, but our troops are doing a magnificent job in protecting the work there. (*Time expired*)

The SPEAKER—Order! It being 8.30 pm, the debate is interrupted.

House adjourned at 8.30 pm

NOTICES

The following notices were given:

Mr Abbott to move:

That, in relation to proceedings on the Workplace Relations Amendment (Work Choices) Bill 2005, so much of the standing and sessional orders be suspended to enable:

- (1) the order of the day relating to the bill to be called on immediately; and
- (2) a Minister to sum up the second reading debate without delay and thereafter the following occurring:
 - (a) the immediate question before the House to be put, then any question or questions necessary to complete the second reading stage of the Bill to be put;
 - (b) the Bill then to be taken as a whole during consideration in detail for a period not exceeding 60 minutes, immediately after which the question then before the House to be put, then the putting without amendment or debate of any question or questions necessary to complete the consideration of the Bill; and
- (3) any variation to this arrangement to be made only by a Minister moving a motion without notice.

Dr Stone to 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: Fitout for new leased premises for AusAID at Block 20, Section 10, known as London 11, ACT.

Mrs May to move:

That this House:

- (1) recognises that:
 - (a) good health is the single most important factor necessary for individuals to lead a happy and successful life;
 - (b) what individuals think, eat and the amount of activity they undertake are important determinants of health and wellbeing;
 - (c) Australians have a high incidence of preventable diseases that are influenced by lifestyle and behaviour including cardiovascular diseases, cholesterol, obesity and diabetes;
 - (d) for many Australians, health is simply access to medical goods and services; and
 - (e) once illness has taken hold, because of the mind/body connection, many do not have the mindset to better improve their health until they get a 'scare' which often comes too late; and
- (3) calls on the Australian Government to:
 - (a) educate youngsters in schools about health and ways of preventing illness;
 - (b) educate couples before starting a family on healthy lifestyles for children;
 - (c) refocus the training of our doctors from ill health to good health with an emphasis on preventative care; and
 - (d) implement a National Health Strategy with a strong focus on preventative health.

Mr Price to move:

That the standing orders be amended by amending standing order 80 to read as follows:

80 Closure of Member

A motion may be made that a Member who is speaking, except a Member giving a notice of motion or formally moving the terms of a motion allowed under the standing orders or speaking to a motion of dissent (from any ruling of the Speaker under standing order 100), "be no longer heard", and such question shall be put forthwith and decided without amendment or debate.

Mr Price to move:

That the standing orders be amended by inserting the following standing order after standing order 99:

99A Questions to committee chairs

A Question may be put to a Member in his or her capacity as Chair of a committee of the House, or of a joint committee, in connection with the work or duties of the committee in question.

Mr Price to move:

That the following amendment to the Standing Orders be adopted for the remainder of this session:

102B Lodging questions in writing on behalf of constituents

- (a) A Member may lodge a question in writing in terms proposed by a person who lives in the Member's electoral division.
- (b) A question in writing given under this standing order may show the name of the person who has proposed the question.
- (c) A Member may not lodge more than 25 questions in writing under this sessional order in a calendar year.
- (d) Nothing in this standing order may be taken to mean that a Member must give notice of a question proposed to the Member by a person who lives in the Member's electoral division.

Mr Price to move:

That standing order 104 be omitted and the following standing orders be adopted:

104A Answers

The answer to a question asked orally shall be relevant and:

- (a) shall be concise and confined to the subject matter of the question: the asking of each question must not exceed four minutes;
- (b) the asking of each supplementary question must not exceed one minute;
- (c) the time taken to make and determine points of order is not to be regarded as part of the time for questions and answers;
- (d) shall relate to public affairs with which the Minister is officially connected, to proceedings in the House, or to any other matter of administration for which the Minister is responsible; and
- (e) shall not debate the subject to which the question refers.

104B The standing orders that apply to the asking of a question orally shall generally apply to the answer.

Mr Price to move:

That standing order 105 be amended and the following be inserted:

105C Replies to written questions

An answer to a question in writing shall be relevant to the question and shall be provided to the Member who asked the question within 30 days.

Mr Price to move:

That standing order 209 be amended and the following be included:

- (d) At the time provided for the presentation of petitions, the following arrangements shall apply to the presentation of petitions certified to be in conformity with the standing orders:
 - (i) in respect of each petition, the petitioner, or one of the petitioners, may present the petition to the House by standing at the Bar of the House and reading to the House the prayer of the petition, and

- (ii) where a petitioner is not able to present the petition in accordance with standing order 209(d)(i), the Member who has lodged the petition may present it to the House by reading to the House the prayer of the petition.

Mr Price to move:

That standing order 221 be replaced with the following:

221 Modernisation and Procedure Committee

- (a) A Standing Committee on Modernisation and Procedure of the House of Representatives shall be appointed to inquire into and report on practices and procedures of the House generally with a view to making recommendations for their improvement or change and for the development of new procedures.
- (b) The committee shall consist of the Speaker or his or her appointed Deputy Speaker, The Leader of the House or his or her appointed Deputy, the Manager of Opposition Business or his or her appointed Deputy and eight Members, four government Members and four non-government Members.
- (c) The Secretary of the Committee will be the Clerk or Deputy Clerk.

Wednesday, 9 November 2005

The DEPUTY SPEAKER (Hon. IR Causley) took the chair at 9.30 am.

STATEMENTS BY MEMBERS

Workplace Relations

Ms GRIERSON (Newcastle) (9.30 am)—Over 20 highly skilled aircraft engineers at Boeing Williamstown have now been locked out for 161 days for attempting to choose a collective agreement. In the five months they have been without a pay cheque to feed their families and pay their mortgages, the Howard government has spent \$55 million of taxpayers' money advertising its industrial relations package that will create more Boeing situations and less choice. The current federal system has failed to get these valuable workers back on the job maintaining our defence fighters, so the dispute has now been referred to the Industrial Relations Commission of New South Wales. The Boeing workers' rights to choose have not been protected. And I will not get to choose to debate workers' rights because the government intends to drop its guillotine on free speech and democracy in the people's parliament.

The Prime Minister says, 'Trust me,' that Work Choices will increase productivity and protect the Australian way of life. What a load of rubbish! After 14 years of productivity and prosperity built on the back of the Hawke-Keating reforms, apparently our economy will be ruined if the workplace relations laws are not changed right now. Apparently, reducing workers' rights to five minimum conditions will increase productivity and preserve our lifestyle. No, they will not: they will drive down wages, strip back conditions, remove protections and fairness built into our system over generations and threaten the standard working week, weekends and holidays that have supported family and community life in this country. This is no way to increase productivity, and these laws are no substitute for policies that make our businesses more competitive, policies that invest in R&D, skills and education or policies that assist the 1.8 million people in this country who remain underemployed or unemployed. Work Choices will not assist them to get a job or a living wage.

Instead of protecting the Australian way of life, they strike at the heart of our identity and our community harmony. In my electorate of Newcastle, the work we do defines us. It is part of our ethos of 'having a go'. But, when we lose the right to decent working hours and reasonable shifts, when we lose our weekends and public holidays, when we are pressured into cashing out half of our annual leave and when working people are treated simply as a cost item on the balance sheet to be minimised expediently, then we risk destroying the Australian way of social equity and harmony we call a fair go. We risk the social and economic alienation playing out so violently on the streets of Paris right now.

The real wealth in this country stems from the pride we gain from a job well done that is properly rewarded. It is also in the time we then have spare to support our families, our friendships and our communities. We can take no pride from what will happen under Work Choices. It will be our kids looking for their first job out of high school, unskilled and older workers and parents re-entering the work force who will be most disadvantaged in negotiating AWAs. Remember what the Prime Minister said workers should do if faced with signing an unfair individual contract or having no job: 'Go and look for another job.' Yes, and another

MAIN COMMITTEE

and another until you give in. The workers of Australia are beginning to think it is time the Prime Minister started looking for another job, and I have to agree with them. (*Time expired*)

Children with Disabilities

Mrs HULL (Riverina) (9.33 am)—I rise today to pay tribute to the work that the Minister for Family and Community Services, Senator Kay Patterson, has put into bringing about some great benefits to those parents of disabled children. I was so pleased to hear that, in a \$200 million package that was announced in Carers Week, parents of disabled children will have the capacity to save in a trust fund up to \$500,000 for the future carer needs of their severely disabled child without that trust affecting their disability support pension. This is something that I have long advocated for, and I congratulate Senator Patterson because she is truly committed to ensuring that those families who have disabled children are able to plan for their future.

There is no worse feeling than to have an ageing disabled child and to know that you as a parent are ageing and that at some stage you will depart this earth and there will be little or no provision for your disabled child. This is something that affects many people across my electorate in the Riverina. I congratulate Senator Patterson on her dedication to serving these people. I would like to point out there is other assistance. There is a package of measures which will provide access to mediation and counselling services for families, financial information kits for parents considering private provisions and more research to better inform future policy proposals.

I, too, am working with a group, and I would like to thank my very good friend Bill Hurditch for taking on this as an interest of his. He knows how important this is to me—that somebody without a vested interest gets involved in how parents of ageing disabled children can plan for their future and how communities can take responsibility and apply some good guidelines as to how they will manage those disabled people within their communities. Associated with the community, families and governments of all persuasions, I believe that we can set in place a very good mechanism that will see disabled people in the community cared for into the future. But, more importantly, the parents of those disabled children will be able to have peace of mind, and peace of mind is extremely important. (*Time expired*)

Dental Services

Ms OWENS (Parramatta) (9.36 am)—We on this side of the chamber have on many occasions called on the Howard government to reinstate the Commonwealth funded Dental Health Scheme, which they abolished in 1996. The need for a scheme is undeniable and will continue to grow. Demand by those persons eligible for public state funded dental care is likely to increase by about 30 per cent over the next 10 years, while demand by those not eligible will increase by around 14 per cent, less than half. Adding to demand is the fact that the progress made in children's oral health during the early nineties is now being reversed. In coming years these children will need more ongoing dental care than the generation who were going through school in the last decade.

Since the late 1990s, dental decay in both primary and secondary school children has been increasing and, as always, it is those on low incomes who are doing it toughest. A glance at the children who passed through our local Westmead dental hospital confirms the studies by the Australian Health Ministers Advisory Council, which show that children in poor groups

now have twice as many rotten teeth as those in wealthy groups. Angus Cameron, Head of Paediatric Dentistry at Westmead Hospital said, 'The majority of people have no decay, but 20 per cent of the population has 80 per cent of the disease. The people at most risk and least able to afford things have the highest amount of disease.'

We in Parramatta have an extraordinary asset in the Westmead dental hospital, which is doing an amazing job, but it is chronically underresourced and is only able to see those in pain. In 2004 it was able to treat only around half of eligible children, many of whom needed emergency care simply because they could not afford to see a regular dentist when the condition was mild and could not get an appointment at Westmead until the condition was chronic. It must be heartbreaking for the dedicated dentists at Westmead—and for the parents of the children—that cases are unable to be treated early because of a lack of Commonwealth support to engage in preventative work.

People on pensions are also more likely than the rest of the population to have decay. They are twice as likely to have lost teeth through decay, and 44 per cent of concession card holders aged between 45 and 64 avoid or put off going to the dentist because of the cost. According to the Australian Institute of Health and Welfare dental statistics, adults on low incomes who do not have private dental insurance are 25 times more likely to have had all their teeth extracted than high-income adults with insurance.

The federal government say that dental care is not their responsibility; they say it is up to the states. Yet the Australian Constitution explicitly states that dental care is a federal government responsibility. Since the abolition of the Commonwealth Dental Health Program in 1996, the waiting lists have dramatically grown. Today, around 650,000 people in Australia are waiting for public dental care and in some areas they are waiting for longer than three years. Throughout Australia the number of people on the waiting lists has increased by 42 per cent since the Commonwealth government program was stopped. I call on this government to reinstate the program for the sake of the most vulnerable in our community. (*Time expired*)

Muslim Community

Mr LINDSAY (Herbert) (9.39 am)—I welcome the leadership group from Gold Creek; it is good to see you with us this morning. I rise to speak on behalf of the Muslim community in my city of Townsville and Thuringowa. The people in the Muslim community are just as Australian as anyone else is in this country. They are peace-loving people and they are just as appalled as anyone else by the events of the last 24 hours. In this parliament a number of people have been considerably diminished by their comments and actions in the last week. In particular, the Australian Greens, the Australian Democrats and a small number of members of the Australian Labor Party must very much regret—and I hope they express that regret—what has been said in relation to the antiterrorism measures that the government put through.

It is to the credit of the Prime Minister and of the Leader of the Opposition that they reacted strongly and properly to protect the security of our country. But we see the Australian Greens making themselves even more irrelevant, as they expressed outrage that the Senate was recalled. Thank God the Senate was recalled. We heard the Leader of the Australian Democrats say that the Prime Minister actually asked the police to go and do a raid—or words to that effect. How objectionable and how irrelevant is that?

I have been disappointed by the reaction of some of the leaders of the Muslim community. What they need to be saying is not, 'We're going to be targeted.' What they need to be saying is: 'All Muslims reject absolutely, as all other Australians do, what's happened. We know we won't be targeted, because Australians understand that there are just these extremists who are doing this and it's not the Muslim community itself.' I would suggest to the Muslim leaders that they change their approach.

I was in Pakistan recently. I was at one of the very significant madrassas. I was able to talk to many Muslims, and I can tell you that their clear message to our delegation was: 'We utterly reject terrorism and extremism. The holy Koran does not in any way support terrorism and extremism. There is no basis in the Koran for that. We are a peace-loving people. We have the same values as the great religions of the world, as Christianity, Buddhism, Hinduism, Judaism and so on, and we absolutely 110 per cent teach peace and harmony for all peoples of the world.' Long may that continue.

Balgownie War Memorial

Ms BIRD (Cunningham) (9.42 am)—Last Saturday I had the great pleasure of attending the re-dedication service of the Balgownie War Memorial in my electorate. This war memorial is unique. It is solely dedicated to World War I and lists all the names of the locals who served in the war, both those who died and those who returned home—111 local people. It also includes one woman who served as a nurse, and it is unique in that as well.

The war memorial was originally dedicated in 1930 and was achieved through the fundraising efforts of a local mining community in the midst of the Depression. Despite their daily struggles, local people donated what small amounts they could to the original fund in order to erect a memorial to honour the sacrifice and dedication of the young people of their community who had served. That community spirit, even in the most difficult of times, remains a feature of the character of our local people to this day. It is well represented in the efforts of the volunteer group who accomplished the improvements to the memorial and organised Saturday's re-dedication service.

My thanks on behalf of all in our community go to Michael Delhaas and the Balgownie War Memorial Fund volunteers for their efforts and, ultimately, their great success. I also commend the local organisations that got behind their dream with funds and resources to make it happen. We acknowledge the support of the Mineworkers Trust; family members of the listed men and woman; local small businesses and community groups such as the Balgownie Village Community Centre, the Balgownie CWA and the Balgownie Museum; local veterans groups and the Wollongong RSL sub-branch; Wollongong City Council; and local media, including, the *Balgownie Bugle*, the *Northern Leader*, the *Advertiser*, the *Illawarra Mercury* and WIN TV.

A war memorial is important as a physical reminder, not only of war and its cost but of the individual lives touched by war. It was particularly important to me to attend and address this re-dedication service as the last young man listed on the memorial is my great-uncle, James Young—or Uncle Jim, as he was known to all the family. Uncle Jim returned from war after being twice wounded on the battlefields of France. He returned to work in the coalmines and retired to the banks of Lake Illawarra to enjoy his fishing, prawning and bowling. His is a real story, as is each of those listed on the memorial, and it was pleasing to see so many of the descendants of these service men and women attend on Saturday to pay their respects and re-

member the individual stories of their families. Despite the occasional rain, a large number of local community members attended on Saturday, including schoolchildren. There were also dignitaries, including representatives from Great Britain, Belgium and New Zealand. It was an important day for all of us. I send my sincere congratulations and thanks to all of those community members involved in this very important community event. (*Time expired*)

Gilmore Youth Leadership Forum

Mrs GASH (Gilmore) (9.45 am)—Some good things do happen in politics and a good thing happened in Gilmore recently. A youth leadership forum was held on 13 to 15 October at HMAS *Creswell*. Although just outside my electorate, most of the participants were from my electorate. Participants in the forum were accommodated in tents. They had to cope with bull ants and thunder and lightning. Nine schools participated—Nowra High, Kiama High, St John's High, Nowra Anglican College, Bomaderry High, Nowra Christian School, Vincentia High, Shoalhaven High and Ulladulla High—and there were 90 students and 26 group leaders. They had numerous keynote speakers, including News Ltd national bureau chief Ian McPhedran and former test pilot Commander Tony DiPietro. The forum could not have happened without the support of Captain Tony Aldred and his team at HMAS *Creswell*.

The forum saw students take part in team-building activities and leadership focused sessions. It culminated in the completion of a community project in which the students and team leaders carried out their own backyard blitz on the South Nowra Rotary Park, which now looks absolutely splendid. They did a lot of greenery work and painted all the toilets, picnic tables and chairs. The community project could not have happened without the support of Shoalhaven City Council, but a special thanks must go to Mark Ettridge of Willow Tree Training in Ulladulla. Mark works with young kids at risk and he brought to the forum, at very short notice, a different perspective on leadership, which the kids really appreciated. He came in his biker gear and had his beard nicely trimmed. He spoke to the kids in language they absolutely understood.

Our thanks also go to the Shoalhaven Area Consultative Committee of Allan Mulley and Milton Lay for helping to coordinate the inaugural event. It was a great success not only from our perspective but also from the perspective of the students. We have had some very positive comments on the feedback forms and captured on video. I want to thank the member for Mitchell, the Hon. Alan Cadman, and Roberta Bell from his office. They instigated the youth leadership forum in the electorate of Mitchell. The member for Mitchell planted the seed for the forum. While the seedling did not grow exactly like its mother, it certainly grew just as strong. We also want to thank our sponsors, without whom we would not have been able to conduct the forum.

We thank the students who took part. The smiles on their faces on the final night were reward enough; their positive comments were the icing on the cake. The Gilmore youth leadership forum looks set to stay for many years to come. Our young people are absolutely fantastic. They are great ambassadors for the area and for Australia. Besides the youth leadership course, we have a youth volunteer initiative program in which young people volunteer to go to the SES, surf-lifesaving, the police, National Parks and Wildlife and the bushfire brigade. This, of course, also generates new members. Finally, I want to thank Shaun Burns, from my office, and former staff member Andrew Guile for helping to run the event. They stayed with

the young people for the whole weekend. I cannot emphasise enough how impressed I was.
(*Time expired*)

Workplace Relations

Mr MURPHY (Lowe) (9.48 am)—I am very angry to learn that the government will be gagging the second reading debate on the so-called Work Choices bill 2005 before I get my opportunity to speak on the bill, thus preventing me from fully voicing my constituents' grave concerns regarding the government's extremely unfair and divisive industrial relations changes. These changes seek to undermine the principles of fairness that have underpinned the Australian industrial relations system for 100 years. It is bad enough that these changes seek to destroy the rights of Australian workers which have been achieved through generations of hard work but, incredibly, the government has not provided a shred of evidence as to how the bill will improve living standards in Australia. Most economists cannot see where all the so-called employment and productivity gains are going to come from. The only gains they can see will come from the government lowering the minimum wage and slowing wages growth overall.

The government's outrageous \$50 million advertising campaign has misled the Australian people by making unsubstantiated assertions about the benefits of the proposed changes and understating the extent to which employees will lose their rights. The nonsense regarding the government's message about the benefits of centralising the industrial relations system in Australia is underlined when one considers that most businesses already deal with only one industrial relations system.

The heaviest blow contained in these changes is the disgraceful attack on the living standards of Australian employees and their families by removing the no disadvantage test from collective and individual agreements. This allows employees to be forced onto an Australian workplace agreement that will inevitably reduce their pay and conditions. How can any individual employee negotiate from a position of strength and prevent the loss of penalty rates, shift loadings, overtime, holiday pay and other award conditions? Their only choice is to choose to stay employed, and that is no choice at all. This is an unfair position now but it will be an impossible position if the Australian economy suffers a downturn. Shamefully, the government will at the same time cut the Australian Industrial Relations Commission, thus eliminating the role of the independent umpire to resolve disputes and ensure workers have fair wages and conditions.

These proposals deliberately distort the workplace bargaining relationship in favour of employers and against employees. This can only reward unscrupulous bosses and, in so doing, undermine the majority of honest and fair-minded employers. The legislation will also remove important rights and protections for small business operators providing services to large firms who were, until this legislation arose, able to seek a remedy for unfair contracts under state industrial relations acts.

The Howard government is now so arrogant that it believes it can ignore the concerns of the Australian community and the churches about the adverse impacts these changes will have on employees and their families. In my view, one of the worst changes is the proposal to give employers the power to change employees' work hours without reasonable notice. This undermines family life in Australia—something I believe I was elected to protect. I conclude with a message about these changes from one of my many angry constituents:

The proposed Workchoices legislation represents a threat to Australian culture and lifestyle because it reduces the bargaining power of employees placing them in an untenable situation should an immoral or unethical request be made. The changes are unacceptable because they threaten social institutions which make regular use of the five day week, such as sporting clubs and churches.

(Time expired)

Queensland: Health

Mrs MAY (McPherson) (9.52 am)—I rise today to speak about a very serious issue that is facing residents in my electorate and, in fact, in the whole of Gold Coast City. I do not believe there would be a person in Australia who has not heard about the Crime and Misconduct Commission's inquiry into health in Queensland. The inquiry was instigated because of problems originally at Townsville Hospital concerning a man called Dr Patel. The inquiry actually became known as the inquiry into Dr Death. Unfortunately, the serious issues facing the Gold Coast as regards health are still with us. In fact, another 261 patients have been added to the Beattie government's increasingly embarrassing elective surgery waiting list on the Gold Coast. We have a wonderful public hospital on the Gold Coast and it is staffed by some wonderful people but, unfortunately, funding has not flowed through to that hospital, and the people on the Gold Coast are now suffering the consequences.

In August this year, the hospital's cancer unit was closed down through a lack of funding and a lack of staff, and new cancer patients from August on had to be taken to Brisbane to undergo their chemotherapy and other treatments needed. We even had a row over who was going to reimburse those people for the travel they had to undertake to Brisbane, which I think was very unfair on those patients. We are still waiting for the reopening of that cancer unit on the Gold Coast.

Today I will put on the record that, from 1 October this year, 2,931 patients were waiting for elective surgery at Gold Coast Hospital, compared to 2,670 on 1 July—so we now have another increase that is making the waiting list really unbearable for those people. Once you end up on a waiting list and you are waiting for surgery, that adds to your injury or the thing that is wrong with you that needs that surgery—it escalates. It is making that problem a lot harder for those people to deal with.

I think it is important that the Beattie government look very hard at the funding coming to Gold Coast City. We are being told we are getting a new public hospital in Gold Coast City. We are very concerned, though, that the hospital we have is going to close down if the government build a new one. We have no confirmation that the hospital we already have, the public hospital that is serving Gold Coast City, will remain in the city and that we will get a second hospital. We have a city of half a million people. They need to be serviced. They need to know that they have the state health services they deserve. So I say to the Beattie government: put the dollars on the table, put some funding into health and ensure that the residents of Gold Coast City have the health services they deserve.

Remembrance Day

Mr GRIFFIN (Bruce) (9.55 am)—I rise today to speak briefly regarding Remembrance Day, 11 November, which will be this Friday. Remembrance Day is an important day in the history of our country. It is a time to remember the sacrifice of those who died for Australia in wars and conflicts over many years. It originated with Armistice Day back in 1918, when on 11 November at 11 am the guns of the Western front fell silent after more than four years of

continuous warfare. The common understanding of that time is well known to many, but the depth of sacrifice that Australians in particular have made over generations, and sometimes the detail there, I think has been not quite so known. In the First World War overall some 70 million people were mobilised and between nine million and 13 million people were killed, with perhaps as many as one-third of them with no known grave.

In the context of Australia's conflicts over the years, if you go back to 1885 in the Sudan you had something like 770 forces overseas, nine killed and three wounded. Then on to the Boer War, where 16,463 were overseas, 606 killed and 538 wounded. In the Boxer Rebellion 560 forces were overseas and six were killed. In World War I, 421,802 were overseas, 61,720 were killed, 137,013 were wounded and there were 3,647 POWs, with 109 POW deaths. In World War II, 575,799 forces were overseas, 39,366 were killed, 23,477 were wounded and there were 28,756 POWs, with 8,031 POW deaths. In Korea 17,164 people were overseas, 339 were killed, 1,584 were wounded and there were 29 POWs. In Malaya 7,000 were overseas, 36 were killed and 20 were wounded. In Malaysia 3,500 were overseas, 15 were killed and nine were wounded. In Vietnam 50,001 were overseas, 520 were killed and 2,398 were wounded. In the Gulf War, 750 were overseas. In Afghanistan one has been killed. There have been peacekeepers serving in many conflicts in the world over the years. Seven have been killed.

The depth of sacrifice is clear for all of us to see. It is something that we should at this time remember. I would also like to mention that there are still over 114,000 war widows receiving DVA war widow pensions and thousands more who have not claimed. Some 239 people are still at this stage receiving an orphans pension. So the nature of the sacrifice is there. It is a great sacrifice. It is something that, this Friday, people should remember. (*Time expired*)

Australian Capital Territory: Jail

Mr NAIRN (Eden-Monaro—Parliamentary Secretary to the Prime Minister) (9.58 am)—Yesterday the ACT government finally lodged a development application for a jail at Hume. I have spoken about this project in the House before. This project is the ACT Chief Minister's pride and joy—to him the most important piece of infrastructure needed in the ACT. It is more important, for example, than a world-class convention centre that would bring economic growth to the ACT. As far as Jon Stanhope is concerned, it is more important to look after the interests of the criminal element instead.

This jail is going in the wrong place. A better site is available north-east of the airport. But Stanhope wants to put it in a location that will affect people who do not vote in the ACT. There are very good planning reasons why this is the wrong location. In fact, there are six that I have come up with just by having a quick look at the documents that were finally lodged yesterday. Even though they have started the roadworks for the site, they only lodged their development application yesterday. I do not know where else in Australia you could actually do that. It is the wrong site because there is a better site available. When you do planning work you obviously choose the best possible location, particularly when it is infrastructure. There is a better site, and it was made available to the ACT government.

The traffic issue on the Monaro Highway will be horrendous for the Tuggeranong people. Tuggeranong people think that it is not going to affect them, but they have to travel down it every day. With another set of lights slowing up the 100-kilometre an hour stretch of the Monaro Highway, they will soon be complaining about that. The Monaro Highway is a major

access road in and out of Canberra, the nation's capital, so the first and last thing you will see as you come in from the south and go out again is a jail. There will be structures up to 12 metres high with lighting and things like that which will really cause a problem.

It is built right on Jerrabomberra Creek. The one-in-100-year flood level is very close. A development like this will increase the intensity of water into Jerrabomberra Creek, particularly during a flood period. That could be a major problem as well. The landscaping that will be required is in conflict with the security of such a site. It is bizarre that the only thing the National Capital Authority can do, unfortunately, is to ask for particular landscaping along the Monaro Highway and elsewhere, but that will shield the lighting that they would need around a jail.

The New South Wales government is going to build another jail in Kiama or Nowra where ACT criminals could go. People in the ACT are used to going to the coast on weekends. They could go down there, and I think that would be a much more economical thing for the ACT to do. I call on Jerrabomberra and Letchworth residents to lodge submissions against this development application by 29 November 2005. (*Time expired*)

The DEPUTY SPEAKER (Hon. IR Causley)—In accordance with sessional order 193, the time for members' statements has concluded.

THERAPEUTIC GOODS AMENDMENT BILL 2005

Second Reading

Debate resumed from 17 August, on motion by **Mr Pyne**:

That this bill be now read a second time.

Mr LAURIE FERGUSON (Reid) (10.01 am)—The opposition essentially supports the Therapeutic Goods Amendment Bill 2005, and that support has been assisted in the last day by two events. One is the determination yesterday that the Therapeutic Goods Administration would establish a joint industry-regulator committee to undertake the preparation of guidelines for applications of new sanctions in the complementary medicines sector. That has been welcomed by the complementary medicines industry: 'It's a very positive outcome from which we can relieve some of the angst that has been in the industry.' It will parallel the complementary medicine and industry consultative group. As I say, Mr Crosthwaite, on behalf of the complementary medicines sector, has welcomed the change.

Our support has been augmented by the agreement of the government to an amendment dealing with the seeming difficulty we had of two forms of search warrants for civil and criminal prosecutions. Obviously, there will be some difficulty, as the opposition understands, if you had to decide before a search what type of prosecution you are intending after the evidence is produced. So the government has agreed that there will be one form of search warrant.

The new penalty regime—which, as I say, has caused some concern amongst players—has been described by some as draconian. The establishment of this consultative committee yesterday is a welcome outcome. It should have occurred earlier. It reflects submissions that were made to a Senate inquiry into this legislation which went down the same road of complaints—that there was uncertainty, a lack of a review process and very serious outcomes for companies if they were to be perceived negatively with regard to the enforcement of these provisions.

It is a concern that the Australian National Audit Office was less than laudatory of the operation of the TGA. I will briefly quote a few extracts from its summary of the TGA. Point 19 states:

... the TGA does not have documented contingency plans to support its regulatory obligations when international events prevent it from executing the overseas audit program.

Point 50 states:

There is inadequate information to support good performance management. The published effectiveness indicator provides only limited insight into the TGA's effectiveness in achieving its regulatory objective.

Point 26:

The ANAO considers that the TGA could increase the transparency and accountability of its audit process. For example, more robust and transparent procedures for the handling and resolution of complaints, appeals and disputes would greatly assist in addressing manufacturer concerns.

Those kinds of comments flowed throughout the ANAO analysis of the TGA operation. Point 53:

The TGA's regulatory framework is supported by a substantial number of standard operating procedures. However, greater clarity and guidance is required for some key aspects of the TGA's regulatory functions.

Point 58:

Transparency to manufacturers and sponsors can be enhanced, both to facilitate manufacturers' ability to comply with regulatory requirements, and to improve the TGA's accountability for its actions.

Indeed, that essentially was a condemnation of the TGA's transparency, its operation with the industry and the perception of the way it audits its own operation. The concern was such that the Minister for Health and Ageing established a review by Deloitte Touche Tohmatsu, which still has not been published. That is indicative of the concerns here. We have a situation where the TGA has come under attack. It has been looked at by the National Audit Office. The Audit Office said that its operation was not as it should be, and the government has decided to launch this separate review into its operation. In that context, one would have to be careful about giving too much power to the organisation if it has attracted this kind of criticism. That is the dilemma we are in.

After the scandal of the Pan Pharmaceutical operation—where it was found that there had been perhaps not enough supervision in the field, that effective remedies and prosecution were not as strong as they should be and that the company operated as it wished for quite a while, endangering Australian consumers—there obviously was a need to act. The opposition does not resile from that. Obviously there was a need for more stringent penalties and more accountability of directors—that was a particular aspect of Pan Pharmaceutical that came to prominence. We have a situation here where, for the health, safety and security of the Australian public, greater penalties were required but at the same time they are in the hands of an organisation that has been subject to extensive criticism. As I say, that is the dilemma we are in.

Given the seriousness of what can occur in these situations, we do support the legislation's essential thrust. We cannot have harm or injury to people because a company has blandly continued to operate in an unsafe fashion, confident that they will not face serious prosecution.

What we see in this legislation is a new faults based offence, with an aggravating element, attracting a maximum of \$440,000 for corporations or individuals and/or five years imprisonment; another regime of fault based offence, with no aggravating element, which will continue to operate; and very strong penalties of \$220,000 and \$440,000. Obviously this has upset a number of players in the industry. However, as I say, we are talking about serious matters. We are talking about great danger that can be encountered by Australians.

The opposition endorses the new liability of the body corporate or executive officers, those directly involved in the day-to-day management of the company, if that corporate body commits an offence or contravenes a civil penalty provision under the act. It is a very significant measure which taps directly into the increasingly demanding obligations of corporate governance in Australia and in this particular field it does seem to be merited.

A major thrust of the legislation is the presence of alternative verdicts in respect of various tier defences. A jury will be entitled to convict a person of a lesser offence, if the jury acquits the person of an offence specifying an aggravating element but is satisfied beyond reasonable doubt of facts which could prove the person guilty of the lesser offence in respect of the same conduct. There is an alternative stream of civil and criminal offences. The civil provisions will apply to certain existing offences and will impose penalties of \$330,000 or \$550,000 for the individual and \$3.3 million and \$5.5 million for a corporation.

What we have in this legislation is a stream of civil and criminal alternative penalties and infringement notices. Where that process is possibly very lengthy or where civil proceedings may not be the optimal way of dealing with certain regulatory breaches, the bill proposes to introduce infringement notices as an alternative. They will set out the particulars of the offence and will give the recipient an option of either paying the penalty set out in the notice to expiate the offence or having the matter dealt with by a court. As well as that, there are enforceable undertakings. Those that are in breach of a certain regulatory requirement may have the option of providing undertakings to correct, address or remedy noncompliance as an alternative to having sanctions imposed. Where undertakings are accepted, they would be enforceable by a court.

The essential thrust of the legislation is to provide a large number of alternatives. Obviously, it would be in the interest of some companies and individuals to look at an alternative way of having their matter handled, whether because of the time involved, because of the perceived public image of the company or individuals or because of the process involved and how long that process would take. So a major element of this legislation is the availability of alternatives. Some companies have expressed fears that the availability of these easier options might lead people to admitting guilt in situations where that was actually arguable. Because they are not going to be hit as hard, they might choose to go down that road, and that might act as an unfortunate push for the company to admit guilt.

With regard to overseas conduct, the Therapeutic Goods Amendment Bill 2005 proposes to extend the reach of the act to cover certain conduct by Australian citizens or Australian body corporates overseas. We are quite aware that, with globalisation, the movement of people and the operations of corporations in other countries is increasing. This is an increasing reality, as it is with criminal matters.

Australian law will reach, firstly, the making of false and misleading statements in a material matter in connection with an application to include therapeutic goods on the Australian

register; secondly, the manufacture, supply, export or import of counterfeit therapeutic goods; and, thirdly, the manufacture or supply of tampered goods and the failure to notify the secretary of the department about actual or potential tampering of therapeutic goods. The reach of the legislation will be enhanced; that is obviously a laudatory move.

There are concerns that Australian companies face unfair competition from overseas and that some companies would choose to go overseas so that they would gain a competitive advantage over those remaining in Australia.

There is also a greater power in this legislation to provide information to the public. The bill proposes to extend the circumstances in which information about actions taken or decisions made under the act can be released to the public. There is also increased scope for information about an offence or contravention to be released to overseas regulatory bodies. That point is similar to the one relating to the internationalisation of the industry.

The lack of transparency and of timely information was a major criticism levelled at the TGA, as I indicated earlier, by the ANAO report of the way in which they operate in the complementary health care sector. Obviously, this new power will give the TGA the ability to be perceived as more consumer friendly, more open and more willing to provide information. But, at the same time, it does cause a bit of a concern that some companies could be subject to fairly slanderous revelations that might subsequently be found not to be merited. There have been, as I said, some concerns and criticisms from the industry that this power could be abused. One criticism is that the ability to reveal the identity of drug companies and employees that flout the TGA's rule does lead to a risk of publicly naming and damaging a person's reputation before their guilt has been proven. To be outed for misdemeanours, particularly if the charge has not been tried or tested in a court, is a serious concern. It has to be balanced against the very obviously serious matters that we are dealing with.

There is also concern about the need for publication of adequate and detailed industry guidelines on when, how and why the different enforcement options will be exercised. The bill is unclear in relation to when the TGA will impose the range of alternative sanctions and penalties. There needs to be more clarity, more certainty, on when a particular road will be chosen by the TGA. Otherwise, there will be a perception of favouritism or victimisation of particular companies if it seems that, in certain circumstances, different modes of prosecution are chosen. There need to be clear and detailed guidelines as to when and how they propose to invoke civil or criminal penalty schemes or other alternative sanctions. As I have said, there are a number in this regime, such as enforceable undertakings and infringement notices.

Other concerns conveyed by the industry go to the broader issue of transparency and accountability. The heightened power of the TGA, whilst understandable in the post-Pan environment, is such that there must obviously be some questioning. ASMI, the industry player, made this comment in a submission to the Senate Community Affairs Legislation Committee's inquiry:

... the tiered fine system would give enormous, unaccountable discretion to the TGA. We know of no precedent for it or anything like it.

There must be apprehension as to how the process will operate and about accountability and transparency. The decision in the last day or so to convene this new consultation process is a step in the right direction in allaying very widespread concerns. Many members will have received an array of emails from around the country on this matter. One should not perhaps

perceive these as representative of Australian society; it is obviously an area where some people have very intense views and are very proactive in putting them to their representatives. The industry players, the people affected from a commercial point of view, have said that they see the decision to bring them into the consultation process, whilst overdue, as a very good outcome and likely to allay some of the concerns.

The lack of a right of appeal has also attracted criticism from serious players in the field. When you look at the Senate inquiry into this matter you find that even the department has said that there should be an appeals process. The Labor Party feels this should exist at each stage.

There is also the issue of the trans-Tasman agency. The reality is that Australia and New Zealand are moving towards a degree of conformity in this field. The question is how long this new regime will operate—how will it handle the negotiations between the two countries at a later stage, what will the outcomes be et cetera. Again, that is a matter that elicited comment during the Senate inquiry and through the various emails.

This is an area in which there has been a perceived need for stronger government intervention to protect consumer interests. Essentially, we believe that, on balance, the introduction of a tiered criminal offence scheme does provide options that people might choose. It does not deal with every situation. There are concerns about whether, in a particular circumstance, it is appropriate to go down a particular road. However, another player in the field—Medicines Australia, representing the pharmaceuticals industry—put the balance fairly well when they said:

It is not particularly clear from the amendment Bill or the narrative outline provided with the Bill, precisely how the regulator will decide when to pursue a criminal penalty ... there seems to be a degree of discretion available to the TGA which is not good regulatory practice.

That industry are not particularly concerned commercially. There are some players in the industry who do have a presence in this field but, on balance, they would have a slightly different interest from the major companies in the complementary medicine field. They also feel there are some dangers in this legislation. We believe that the Senate inquiry certainly drove those home to the government. We also believe that the recent events of going towards some further discussions, some transparency with the industry, gives some enhanced guarantees that the process will not be abused. The opposition supports the legislation.

Mr TICEHURST (Dobell) (10.20 am)—The Therapeutic Goods Amendment Bill 2005 makes amendments to the Therapeutic Goods Act 1989 to enhance the TGA's ability to secure better compliance with existing regulatory requirements and to adequately protect public health and safety. The Howard government is determined to respond to deficiencies arising from the limited range of enforcement measures presently available. The amendments provide new alternative enforcement options to enable the TGA to deal more effectively and efficiently with suppliers and manufacturers who may place public health and safety at risk.

The government support the rights of Australians to make personal and informed health choices. We also believe that people are entitled to expect that medicines available in our country are of a high standard and safe when used appropriately. We want to be confident of the safety and quality of medications. At the same time, the government understand that it is important that we do not impose unnecessary restrictions on manufacturers and suppliers. Existing options for dealing with breaches of regulatory requirements are restricted to either

criminal prosecution or administrative sanctions such as withdrawing the sponsor's or manufacturer's right to continue marketing or manufacturing therapeutic goods. Resorting to either of these options may not, in some circumstances, be appropriate or achieve the optimal regulatory outcome, given the time and resources taken to prosecute offenders and the possible need to maintain supply of products to the public because of their essential nature or the lack of available substitute products.

Monitoring and auditing by the TGA has shown that additional amendments to the act are required to more effectively address continuing failure by other manufacturers to adequately comply with regulatory requirements. The new package of sanctions is built on existing conduct already regulated as an offence under the act. The bill proposes a tiered offences regime for a number of criminal offences under the act so that the level of penalties will reflect the gravity and consequences of a breach of a regulatory requirement. The introduction of the tiered regime of criminal offences is intended to better tailor penalties to criminal conduct so that more serious breaches resulting in, or likely to cause, harm or injury will attract heavier criminal sanctions. The higher tier offences, attracting the higher level of penalty, directly link the prohibited conduct to the adverse consequences resulting from that conduct. Under the bill, penalty levels for some offences are increased to ensure consistency of penalties across the act. The bill also introduces civil penalty provisions for breaches of regulatory requirements under the act.

The focus of a civil penalty scheme is generally on the regulation of commercial activity. Civil penalties may be more effective as a deterrent for noncompliance with regulatory requirements by sponsors and manufacturers where noncompliance may be commercially driven, at the expense of public health. Higher penalty levels attach to civil penalties because the higher fines are in most cases designed to offset commercial gains that have been unlawfully obtained. The inclusion of an alternative civil penalties regime, alongside criminal offences, for the same conduct being sanctioned, is a strategy adopted under various other Commonwealth acts. The bill will introduce provisions to enable the secretary to issue infringement notices, in lieu of laying charges for the commission of an offence or applying to the Federal Court for a civil penalty order. This option recognises that taking an alleged offender to court may be time consuming and expensive, particularly where no actual harm or injury has occurred. An infringement notice will set out the particulars of the offence and is intended to give the offender the option of either paying the penalty set out in the notice to expiate the offence or electing to have the matter dealt with by a court.

Ms Hall—Mr Deputy Speaker, I was wondering if the member for Dobell might take a question.

The DEPUTY SPEAKER (Hon. IR Causley)—Is the member for Dobell willing to answer a question?

Mr TICEHURST—No. The bill will also introduce measures to enable persons to provide enforceable undertakings to address breaches of regulatory requirements as an alternative to the TGA taking enforcement measures or applying administrative sanctions. The undertakings are intended to be an additional option for securing compliance with regulatory requirements where the undertakings are adequate to remedy the breaches. The use of this measure may be more efficient and productive in particular circumstances, such as where a deficiency in a manufacturing process needs to be rectified by a manufacturer whose general manufacturing

ability is not in question. The use of enforceable undertakings in appropriate situations will ensure that public health and safety is assured while access to therapeutic goods for which the public has a continuing need is maintained.

In recognising that pharmaceutical trade is transnational in nature and different steps in the manufacture of therapeutic goods can occur in various countries, it is proposed that the geographical jurisdiction for certain offences be extended. The bill provides for certain offences to extend to conduct by an Australian citizen or an Australian body corporate outside Australia, and to conduct by an Australian resident outside Australia where there is an equivalent offence in the laws of the relevant overseas jurisdiction. The offences that will be extended extraterritorially relate to the making of a false and misleading statement in material, particularly in connection with an application to include therapeutic goods in the register, manufacture, supply, export or import of counterfeit therapeutic goods; the manufacture or supply of tampered goods; and the failure to notify the secretary or the National Manager of the Therapeutic Goods Administration about the actual or potential tampering with of therapeutic goods.

These particular offence provisions have been given extended extraterritorial application in order to ensure that a person who would ordinarily be subject to the laws of Australia, had the conduct occurred within Australia, will be held accountable for the same conduct undertaken while the person is not in Australia on the basis that the conduct, undertaken externally, could result in a significant impact on the health and safety of the Australian community. Where a body corporate commits an offence or contravenes a civil penalty provision under this bill, the executive officer will be deemed to have committed the offence or contravened a civil penalty provision where the executive officer knew that an offence or contravention would occur, or was in a position to influence the body corporate in the commission of the offence or contravention and failed to undertake reasonable steps to prevent the offence or contravention.

Companies can only act through its officers. Relevant executive officers will be held accountable for known actions of a company in relation to which they have the power to influence, particularly where that action could place public health and safety at risk. The bill extends the circumstances in which the TGA is authorised to release information it holds in relation to therapeutic goods. The bill specifically permits the public release of information relating to any regulatory decisions and actions taken under the act and regulations.

Ms Hall—Mr Deputy Speaker, now that the member for Dobell is further into his speech he might be prepared to accept a question from me in relation to the recommendation of the expert committee on complementary medicines.

The DEPUTY SPEAKER—Is the member for Dobell prepared to accept a question?

Mr TICEHURST—No, Mr Deputy Speaker. These new provisions are designed to overcome present difficulties and ensure that the TGA can take timely, appropriate and effective action to discourage sponsors and manufacturers from not fully complying with regulatory requirements, particularly when this is driven or influenced by commercial considerations at the expense of public health and safety. The confidence of the community in the safety of therapeutic goods and the reputation of Australia's industry are of great importance and are something the Australian government is committed to. I am confident that the provisions in the bill represent appropriate measures to protect the interests of both the community and industry, and therefore I commend the bill to the chamber.

Ms HALL (Shortland) (10.29 am)—At the outset of my speech, I express my disappointment that the member for Dobell did not feel sufficiently confident to answer a question that I directed to him relating to the recommendations of the expert committee on complementary medicines in the health system. Given that he did not speak for even half his allocated time, it would seem to me that he is not across the matter that he was speaking about.

I wish to start my contribution by thanking all those hundreds, possibly thousands, of people who emailed me and told me of their concerns about the Therapeutic Goods Amendment Bill 2005—concerns that this legislation is draconian. People are very worried about the implications of the legislation. I also wish to acknowledge that the alternative health industry play a very important role in the provision of health care and health treatments within Australia. As an individual who uses those medications from time to time, I understand their concerns. I also have some concerns about this legislation. Whilst I have those concerns, I also have concerns about some of the issues relating to alternative health care products. I think that the expert committee on complementary medicine in the health system examined this issue very thoroughly. The government have now responded to its recommendations and I would like to see many of its recommendations implemented.

But, firstly, I want to concentrate on the bill. It will provide additional enforcement options to enhance the Therapeutic Goods Administration—the TGA—and its ability to secure compliance with the Therapeutic Goods Act 1989 so as to adequately protect and maintain Australia's stringent public health and safety standards regarding therapeutic goods. The bill introduces new penalties to provide alternative sanctions for breaches of varying degrees under the act, and I will concentrate a little more on that in a moment. It ensures that any non-compliance issues and offences can be dealt with efficiently and effectively. New enforcement sanctions are included to provide for alternative sanctions that may be more appropriate in particular circumstances. It also achieves better regulatory outcomes with minimum delay. For that reason, the bill introduces enforcement options, including judicial sanctions. It helps to achieve the objectives of the act, maximise compliance with regulatory requirements, promote the supply of safe and good quality therapeutic goods and maintain public confidence in the supply, manufacturing, import and export of therapeutic goods. This bill is interested in consumer protection and public health and safety, and it ensures proper regulations and access to and quality of therapeutic goods.

The bill seeks to ensure that therapeutic goods manufacturers adequately comply with regulatory requirements and, where there is noncompliance, a range of discretionary and enforceable sanctions are available that are similarly available under other Commonwealth legislation. It is proposed that the act be amended to provide greater enforcement options for the TGA in dealing with non-compliance conduct and greater flexibility in managing noncompliance. It may provide a better alternative to current regulatory action, and that may include suspension or cancelling of manufacturing licences or removing goods from the Australian Register of Therapeutic Goods.

We on this side of the House broadly support this bill, but we do have some concerns. At the beginning of my contribution I recognised the concerns of many people in the community who rely on therapeutic goods for managing various health problems. One of the concerns that we have is the lack of direction in when and what alternative sanctions may be imposed, and the lack of clear guidelines published by the TGA as to when and how it proposes to in-

voke civil or criminal penalty schemes. Both schemes, although parallel, are ambiguous in their practical application. This bill is quite complex and confusing. There are no set procedures or directions as to where the wheels of the civil or criminal system will be set in motion.

There is far too much discretion. Under the act a company can commit a breach and they may be handed different penalties. So the same breach can be treated differently, and different companies can end up with different kinds of penalties. That, to me, is far too much discretion. You need clarity in laws. You need things to be prescribed in a way where a company or an individual can be aware of the penalty that they will have attributed to their action. It is interesting to note that the TGA's CEO, Terry Slater, recommended that a set of guidelines on the TGA's discretionary power regarding its alternative sanctions be published. That is something that should accompany this legislation. People and companies need to know what these discretionary powers are and how they will be implemented. This legislation is very loose in that area.

The TGA is also able to enforce any of the alternative sanctions at its discretion. There is some assurance from the TGA that these will be applied in a fair and transparent manner and that all industry players are granted proper access and equity, but the detail and the level of discretion that the TGA has has not been clarified in this bill. Although the power is greater and irrefutable, as outlined in this bill, there is no clarification. It definitely lacks transparency. It definitely lacks accountability. I am really concerned about any legislation the government oversees that falls into the category of lacking those things. This legislation has been described by various people as being draconian. I can understand why: because of its lack of clarity and transparency. It is interesting that Medicines Australia say:

It is not particularly clear from the amendment bill or the narrative outline provided with the bill precisely how the regulator will decide when to pursue a criminal penalty ... There seems to be a degree of discretion available to the TGA, which is not good regulatory practice.

I emphasise that the government should tighten this up. That concerns me.

Another aspect of this legislation that is of a little bit of concern is that the TGA can publicly name a drug company or an employee that they believe flouts the rule. There is always a risk if you are going to publicly name somebody that you are damaging that person's or company's reputation. To me it seems that the TGA will be acting as judge and jury. Rather than allowing the legal system to deal with this matter, they are dealing with it in a way where a person is proven guilty right from the start as opposed to being presumed innocent until proven guilty.

The government is also seeking to establish a trans-Tasman agency which will provide for a joint regulatory regime with New Zealand. It is important to note that the amended act will only be in effect for a short time, up until July 2006. So we are going through this process at the moment which is putting in place something that is not very transparent, something that I believe is flawed in a number of areas, to address something that I believe is a real issue in the community.

I have before me the recommendations of the expert committee that looked at complementary medicines and health, and I would have to say that complementary health is an issue that I have become concerned about in recent times. On 11 October I raised in the House an issue that was of great importance to me because it concerned a constituent in my electorate. This constituent had told me of a very sad scenario about a poor parent and a person who portrayed

himself as a naturopath. This person had dubious qualifications and his actual registration with the naturopath body had been questioned. I know that that will be discussed and decided in a court of law in a very short period of time. This alternative medicine practitioner was treating the husband of one of my constituents and what we were faced with was a litany of fraud and deceit. This fraud and deceit was hurting not only her but a number of people within the community. He was prescribing medicines to very sick and very vulnerable people within the community, like this lady's husband. The husband of Mrs Christie of Dudley died in May this year, following a fight with cancer. As a last-ditch effort on behalf of her husband, she was referred to see Paul Perrett. She was given this referral by another person who was suffering from cancer. This person has subsequently died, as has her husband.

The DEPUTY SPEAKER (Mr McMullan)—I interrupt the member for Shortland to ask her to be sure that we do not run into a sub judice problem here if he is actually in court. I suggest she proceed carefully.

Ms HALL—I am being careful. I thank you, Mr Deputy Speaker.

Mr Jenkins—Mr Deputy Speaker, on the point of order: as you are an experienced parliamentarian, I am sure you will be careful.

Ms HALL—I will be. I thank very much the Deputy Speaker and the member for Scullin. The issue that really concerns me is that the person in question was prescribing medicines that were non-existent and their ingredients could not be traced. How this issue relates to this piece of legislation is this: I do not believe that the legislation we are looking at will actually deal with this problem. I do not see how this legislation will be able to stop situations that exist within communities like mine where you have people with questionable qualifications setting themselves up as naturopaths and then prescribing medications that they portray as being alternative health products—and action is then taken against these people. What I would have liked to see the government do—and I hope the government will do this in the future, and I know that this is in a recommendation that was put to it by the expert committee on complementary health—is ensure that the ingredients in alternative health products meet the requirements that are listed and match what they are supposed to be. I would like to see the government introduce national legislation, so leading the way for the states, that ensures that naturopaths are required to register—have their qualifications noted—and they meet a level of qualification that will ensure they are not able to misrepresent themselves to the public.

At the outset of my contribution I said that the Therapeutic Goods Act 1989 is in place to protect and maintain Australia's stringent public health and safety standards regarding therapeutic goods. Whilst this goes some of the way, this legislation does have problems. It does not address issues I deal with on a daily basis. This legislation goes part of the way, putting in place a very stopgap measure that will be in force until July 2006. It will create a lot of pain for people, and I find that worrying. The legislation also does not address the issue of practitioners within the various communities throughout Australia prescribing quite dubious drugs. I believe the government has to come back with legislation that addresses the national registration of natural therapists and people practising in the area of alternative health.

Obviously this legislation has been introduced in the wake of the Pan Pharmaceuticals crisis. The bill proposes a wide range of penalties for noncompliance and also increases the sanctions that the TGA is able to impose on discretion. Although the discretionary and trans-

parency aspects and the accountability issues in this legislation are very important, the TGA has agreed to establish a joint industry-regulator committee, and I see that as an important step towards encouraging not only greater compliance with the law but also greater understanding of the way it operates.

In conclusion, I reiterate my concerns. The government has not addressed some of the key recommendations of the Expert Committee on Complementary Medicines in the Health System. It is important for the government to do so, and until it does it has only just touched the tip of the iceberg. I also thank those hundreds of people who have contacted me. I appreciate their contacting me and letting me know their feelings and raising with me their concerns about this legislation.

Mr JENKINS (Scullin) (10.49 am)—In rising to speak on the Therapeutic Goods Amendment Bill 2005, I think we should acknowledge that for many Australians the types of therapeutic goods and substances covered by this legislation form a very important part of what they see as not only the treatment of their illness but more importantly the maintenance of their wellbeing. The bill in particular provides greater powers to the Therapeutic Goods Administration to sanction offenders and provides greater and flexible enforcement options to deal with non-compliant conduct by an individual or company. The stronger powers of the TGA will provide greater protection for consumers by forcing the therapeutic goods industry to observe stricter regulations or face action by the TGA in the form of sanctions and penalties. As has been stated by other speakers on behalf of the opposition, the objective of any legislative and regulatory regime in this area must be to protect consumers and patients that use therapeutic goods.

For the sake of this debate, I think it is useful to iterate the definition of ‘therapeutic good’ that is used by the Therapeutic Goods Administration and can be found on the TGA web site. It indicates that a therapeutic good can be broadly defined as a good which is represented in any way to be, or is likely to be taken to be, for therapeutic use. The definition goes on to say that ‘therapeutic use’ means use in or in connection with: preventing, diagnosing, curing or alleviating a disease, ailment, defect or injury; influencing, inhibiting or modifying a physiological process; testing the susceptibility of persons to a disease or ailment; influencing, controlling or preventing conception; testing for pregnancy; or the replacement or modification of parts of the anatomy. So the definition of ‘therapeutic use’ is fairly broad. I think it is important to talk about those things, because it puts in context the importance placed by many Australians on these types of goods, articles and substances.

This legislation follows an incident in 2003 in which the TGA suspended the licence of Pan Pharmaceuticals for the breach of manufacturing safety and quality standards and what was believed to be the systematic and deliberate manipulation of quality control test data. It led to some 1,600 products being taken out of the market, the biggest recall in Australia’s history. The decision significantly impacted on Pan and other complementary medicine companies. In 2003 we had a piece of legislation which directly followed that incident and which put in place certain measures that are now subject to review, in a legislative sense, by the legislation that we are discussing. Those measures have been touched on earlier in the debate.

The response of the government is cause for some concern. This is an area about which, in the past, I have been moved to express my concern about the tardiness of the government in reacting. Going back to 2000, we had the Therapeutic Goods Amendment Bill (No. 2) 2000.

The measures in that bill arose from a review of the Therapeutic Goods Administration conducted by KPMG. The government responded to that review in 1997 and took some 2½ years to get around to introducing legislation. The response to the Pan issues, back in 2003, was much swifter, but now, some two and a bit years down the track, we see this legislation, which flows on from further investigation of the Pan incident and further investigation and review—for instance, by the Auditor-General—of the TGA itself.

In reviewing this piece of legislation, we should be cognisant of a number of concerns that have been raised. There is concern that there is definitely a problem with transparency in the way the TGA goes about its business. To assist that, there needs to be discussion about the publishing of industry guidelines indicating how the TGA might use the powers that this bill will give it. What the opposition place on the public record is that we believe that the TGA needs to be accountable and consistent in the way in which it applies the act. Through that, we will then gain greater confidence. We see a tendency in this legislation towards the TGA being permitted to be the enforcement agency without reference, for instance, to the Director of Public Prosecutions. That adds a layer of concern, and this greater transparency is required on the TGA's behalf.

We also see that the TGA is responsible for setting in place the framework that is used by an industry that is of considerable size. It is not a large industry but an industry of moment. Many of the companies that are involved are small to medium sized businesses. In the case of Pan, the interesting thing was that it was probably up at the larger end of the range of companies that deal in complementary medicines in the therapeutic goods industry. When we hear of concerns being expressed by parts of the industry that there was insufficient consultation, I think our antennae need to capture that. There is a need for a fuller discussion about the type of consultation that went forward on this legislation. As I said, one of those things that have been cause for concern is that the bill, when enacted, will give a great deal of discretionary power to the TGA. If that is to be the case, it underscores the reasons that we emphasised the need for guidelines to be developed, which can be understood, about the way in which those discretionary powers might be put in place.

For instance, there is the fact that the TGA would be allowed in a way to out companies that they believe to be transgressors. That needs to be done with great care because we have a justice system that is based on the need for natural justice. In fact, if these infringement notices are to be given with gay abandon, without reference to guidelines, there would be a lack of confidence in the overall system. I understand the reason that we are going down this path—so that there would be an intermediate step—because, if we are talking about public safety and public awareness, these things need to be considered. But we really need to see, in those cases where infringement notices are placed on a recipient for an alleged breach, that there is an opportunity for some form of independent arbitration on such matters.

There has also been discussion about the size and impact of any fines that might be placed and whether they are, as some have suggested, too draconian. That is where we can make comparisons with other similar pieces of legislation, because there may be a lack of understanding. The types of fines that are considered under this legislation are much more readily understood in the context of other legislation and other penalties that are in place.

If we are to go forward with this industry, it is no use walking away and saying that this is something which people decide to take in their treatment, because many of these goods are

low risk and can be self-administered. It is very much about the consumer's choice. The consumer is making a decision. Therefore, with regard to complementary medicines, when we have a classification of listed medicines, the TGA are assessing the quality and safety of the medicine. They are looking at the processes that are used in manufacture, they are setting guidelines to ensure that that is done in a way which produces the best quality result and they are indicating to the community that they believe these goods are safe. What they are not doing is making any endorsement about the efficacy of the drugs. That is why the confidence required by the community and consumers in these drugs is most important. There needs to be an understanding of the system, that the taking of drugs is at least safe and that it is then for the consumer to make a choice as to whether they believe that the therapeutic good will in fact do what the substance is intended to do. That also requires manufacturers, if they make claims about what the therapeutic goods might do, to keep the information that they base those claims on. In fact, if there is any concern, that can be referred to by the TGA. On behalf of the community, the Therapeutic Goods Administration have to make decisions based on the way in which they apply a risk management approach to the systems that are covered by this piece of legislation and, if they believe that the substances or goods should be used only under medical supervision, that is a requirement.

As I said, this is an area in public administration where we need to take great care because we see a phenomenon where consumers, by their choices, have decided they may wish to continue to pursue and use complementary medicines. The government therefore has the responsibility to make sure that that can be done in the safest way possible. We learnt a lot from the Pan Pharmaceuticals incident, and that has made the government much more aware of its requirements. The reviews that have taken place were appropriately based. Whether in fact the outcomes and suggestions of those measures have received the proper recognition in developing has been debated and there are different views on that. We see the bill as a result of all these processes. We see the further development of other measures. The joint trans-Tasman agency proposal, where there will be a joint regulatory regime with New Zealand, will have an effect. We will have a chance to review these matters at that time, and that is appropriate and fortunate. The further development of policies in this area is important.

We must characterise the importance of the legislation so that the community can have confidence about the public health and safety standards regarding therapeutic goods and we must recognise that there is a need for ongoing consultation not only with users but also with industry. The government needs to note the extent to which elements of the industry have expressed concern about the degree of consultation or the degree of transparency of processes. Most importantly, when this bill is put into law we must make sure that the TGA develops these definite guidelines that will give surety for all in the application of the new powers that the TGA will be given as a result of this piece of legislation. With those remarks, I indicate my in-principle support of the legislation. As I say, I put the government on notice that this is an area where we will have need for continuing review to ensure that we develop a system that is the most efficient in delivering safe and reliable goods as defined by this act.

Ms CORCORAN (Isaacs) (11.06 am)—The purpose of the Therapeutic Goods Amendment Bill 2005 is to introduce a range of new sanctions and enforcement options available to the Therapeutic Goods Administration, the TGA—that is, sanctions that the TGA can use in the event that companies breach their obligations that go with registration of their products

with the TGA. The intention is to improve the TGA's ability to protect public health and safety. The bill tries to do this by expanding the range of options available to it in the event of standards being breached.

It is important to note right at the start that this bill does not introduce new offences to those already existing under present legislation; it simply changes the penalties available to the TGA if offences are committed. Many people are worried about the role of the TGA and I have discovered some confusion concerning what the TGA is all about. Before I talk about this particular bill, I want to put all this into some perspective, and I am indebted to the Parliamentary Library for their assistance. Therapeutic goods are regulated under the Therapeutic Goods Act 1989, which is administered by the TGA, which sits in the Department of Health and Ageing. The term 'therapeutic goods' covers a range of goods that are used for therapeutic purposes and includes prescription medicines, over-the-counter medicines—cough and cold remedies, for instance—and complementary medicines like vitamin supplements, which are also sometimes called natural health products. All therapeutic goods sold in Australia must be included on the Australian Register of Therapeutic Goods, the ARTG. The TGA is responsible for maintaining this register.

Therapeutic goods on the ARTG are regulated according to a risk management approach. This means that the evaluated risk associated with a particular medicine or medicinal ingredient determines the type of assessment process used by the TGA. The concept of risk is based on:

... an assessment of the potential of a product to do harm to those it is intended to help, or to others (such as children) who may come into contact with it—regardless of whether the harm results from following or disregarding the directions for use.

Higher risk therapeutic goods and registered medicines, such as those used to treat serious conditions or which need to be used under a doctor's supervision, are subject to a high level of scrutiny and evaluation by the TGA to determine their quality, safety and efficacy. Lower risk therapeutic goods, listed medicines, are assessed by the TGA for quality and safety but not for efficacy—that is, the TGA does not evaluate listed medicines prior to supply to determine whether or not they are effective. However, manufacturers or distributors are legally required to hold information that substantiates any therapeutic claims they make for these products. This evidence must be provided when requested: for instance, if any concern arises.

The Australian system of regulation makes no clear distinction between complementary medicines and other medicines. Rather, complementary medicines are regulated according to the same risk management approach that governs regulation of all other medicines listed on the ARTG. Most complementary medicines on this list are considered to be low risk and are hence registered as listed medicines. According to the TGA, the risk management approach is designed to 'ensure public health and safety, while at the same time freeing industry from any unnecessary regulatory burden and minimising the cost of medicines regulation'. The TGA also states that as part of this approach, it 'has developed a constructive partnership with industry'. That contributes to the 'continued viability of industry by creating confidence in, and acceptance of, Australian therapeutic goods, both at home and overseas'. I will come back to some of those points a little later. In summary, the TGA assesses all therapeutic goods, which includes their manufacture, for safety and quality. Not all therapeutic goods are assessed for

efficacy: typically, the complementary medicines and over-the-counter medicines fall into this category.

I would like to talk for a few minutes about some of the recent events that are relevant to the development of this bill. These events are the Pan Pharmaceuticals recall of a few years ago, the expert committee on complementary medicines which was established as a result of that Pan recall and an audit undertaken recently by the Australian National Audit Office into the regulation of non-prescription medicines by the TGA. We all remember the Pan Pharmaceuticals recall episode in April 2003. This episode kicked off because a number of people reacted badly after taking Pan's Travacalm—an antitrip sickness product. The TGA investigated and found problems in the manufacturing and quality control procedures and also evidence of deliberate manipulation of quality control test data. As a result, the TGA suspended Pan's licence and ordered a recall of all its products. This led to Pan going into voluntary administration and also to a number of companies that supplied Pan being adversely affected.

As a result of this episode the government set up an expert committee on complementary medicines. This committee was asked to look at the use and place of complementary medicines in Australia's health care system. It made a number of recommendations around standards for ingredients used in complementary medicines and evidence that companies be required to hold to substantiate therapeutic claims.

The last event I want to record here is a performance audit conducted by the Australian National Audit Office which resulted in a report issued in December 2004. The audit was into the TGA's regulation of non-prescription medicines—not of prescription medicines. The overwhelming message that came out of that audit was that, whilst the TGA may well be doing a good job in regulating non-prescription medicines, it is impossible to tell. The ANAO found that systems and procedures were inadequate and lacking in transparency. For instance, the report says:

Manufacturers approved by the TGA are subject to regular audit. An audit frequency matrix determines the time to next audit. This is based upon two risk parameters: the products manufactured; and compliance with the Code of GMP—

good manufacturing practice—

from the previous audit. However, the rationale for assigning audit frequencies for these risk parameters has not been documented, nor supported by a systematic risk analysis.

The audit frequency may be varied from that indicated by the risk parameters. However, the reasons for the variation are often not documented, reducing transparency and accountability for these discretionary judgments.

Whilst the procedures around an audit program may seem not as important as other procedures, this lack of rigour is indicative of other findings by the ANAO on the TGA. For example, the report also says:

The TGA's regulatory framework is supported by a substantial number of standard operating procedures. However, greater clarity and guidance is required for some key aspects of the TGA's regulatory functions. There are also some gaps in documented procedures.

Decision-making, including reasons for particular action and enforcement, requires more structured documentation, especially when discretionary judgments have been made.

It goes on:

Performance management arrangements are insufficient to support sound management of regulation, and accountability to stakeholders. Performance indicators provide limited insight into the effectiveness of the regulation of non-prescription medicines, and of manufacturer compliance.

Transparency to manufacturers and sponsors can be enhanced, both to facilitate manufacturers' ability to comply with regulatory requirements, and to improve the TGA's accountability for its actions.

The ANAO also found that the TGA has been inadequately resourced for this critical work and consequently has allowed too many important regulatory tasks to fall behind schedule or even off the list completely. This may well explain part, or all, of the problem. Whatever the cause of the problem, we are left with a regulatory body which, at best, does not have the confidence of at least some of its stakeholders—the complementary medicines industry, for instance. This lack of confidence makes it more difficult for the industry to accept the changes proposed in this bill.

I said earlier that the TGA claims that it has a constructive partnership with industry and that it contributes to the viability of the industry by helping to create confidence in its products. This might be true of the prescription medicines industry, but there are parts of the complementary medicines industry that will argue with this statement. The attitude of mistrust on the part of some players makes for mistrust by the consumer.

I have had talks with a number of manufacturers of complementary medicines, some of them in my electorate, as well as other interested parties. These people are very worried about how this bill will operate. They are worried about the TGA acting in an arbitrary way and without the companies concerned having any comeback if they think they are being unjustly treated. In our discussions it became clear to me that the organisations concerned agreed in principle with what this bill is trying to achieve, which is a better way of dealing with breaches of standards. The real cause of concern which emerged was the lack of confidence in receiving fair treatment from the TGA. I can understand why this worry exists. The report from the ANAO explains why this attitude exists.

Some time ago when I had shadow portfolio responsibility for this area I had talks with the TGA about the bill and I expressed the concerns that had been passed on to me by parts of the industry. I suggested that the TGA had a bit of work to do in regaining the confidence of this part of the industry. I also suggested that one way of doing this would be to issue guidelines showing which option the TGA would take when dealing with breaches. I asked whether this had been considered and was somewhat surprised to learn that it had not. I was pleased when the representatives from the TGA undertook to develop a set of guidelines. I have seen what I believe to be a draft of these guidelines and they are very confusing. I was very pleased to read just this week that the TGA is establishing a working group to work with the complementary medicines industry on these guidelines.

The complementary medicines industry has not been slow to enlist the support of its customers in urging rejection of this bill. Most members of parliament will, like me, have been on the receiving end of literally hundreds of emails from people across Australia urging that this bill and other bills to do with the TGA be rejected. There have been basically two campaigns against the TGA bills. The first campaign conducted earlier this year simply urged us to vote down all TGA bills. This first campaign was a most confused business. The perpetra-

tors of the campaign had convinced people that the cost of their vitamins was going to skyrocket or, alternatively, they would be taken off the market completely.

The message was a confusion of references to Codex, the proposed trans-Tasman treaty, the regulation of therapeutic goods and this bill. Big Brother got a mention too. I made a point of ringing a number of my constituents who forwarded these emails to me to talk about the issue. I was interested to discover that most had simply forwarded the email on because they were alarmed at the thought of the cost of their medicines going up. Once the facts were explained and we had a chance to discuss the issue, most people became quite relaxed about the matter.

I am not at all sympathetic with the people promoting this earlier campaign, as it was not based on fact and it used emotive language to frighten people into acting. A campaign like this damages the cause and reputation of the sector. It becomes counterproductive and discourages MPs like me from taking anything said in similar campaigns seriously. In fact, it discourages us from even reading the emails. I challenge the organisers of such future campaigns to ensure that their arguments are based on fact and logic.

The more recent email campaign—the one that has been operating over the last few weeks—is a much better example of a good campaign. It is not hysterical and it puts forward decent arguments based on facts. I am sympathetic to the points of this campaign, although I do not agree with the conclusion promoted—that is, that this legislation be voted down. However, the issues raised are real and they need to be addressed. A fair summary of the points being made by the campaigners is that the natural or complementary medicines industry is a small industry and it is less able to sustain heavy financial penalties or the loss of business that an infringement notice might bring than the bigger pharmaceutical industry.

The campaigners are concerned that the TGA, which has a reputation of acting arbitrarily, will continue to do so and may even get worse. They argue that the natural health or complementary medicines industry should not be regulated by the TGA. I have some sympathy with those who fear that the TGA will act arbitrarily and in a heavy-handed manner. My sympathy stems from the findings of the ANAO report that I referred to earlier. The findings were that the TGA does not act in a transparent or accountable manner. This is not the same thing as saying the TGA is unfair in its approach, but the old rule of fairness applies to the TGA as well as everybody else—that is, the TGA should not only act properly and fairly but be seen to be doing so. I think the TGA has some way to go in rebuilding its relationship with parts of the industry. As I said earlier, it is good to see the recent announcement that the TGA is establishing a working group to come up with guidelines about these new penalties which will be applied to the complementary medicines sector. I hope this goes some way towards addressing the anxieties of the industry.

Despite all the difficulties put forward, I do not buy the argument by the campaigners that the complementary medicines industry should not be regulated by the TGA and that this bill should be voted down. I am supporting this bill for a number of reasons. Firstly, I am very keen to see that our medicines are regulated properly and that those not abiding by the regulations are dealt with appropriately. It is vital that we as consumers have confidence that the medicines we are taking, be they prescription, over-the-counter or natural health products, are manufactured safely. We also need confidence that the makers or sponsors of these medicines are accountable for the claims they make for their products. We have moved way past the snake oil days, and we should not allow ourselves to return there. If a manufacturer has a

therapeutic claim to make, that manufacturer should be prepared to stand by that claim and not be afraid of having it tested if need be.

Secondly, I see the potential for this new regime of penalties to actually address the concerns raised by the complementary medicines industry. If the TGA has some discretion about the penalties to apply in different cases, then account can be taken of the significance of the penalty to the size of the company. I hope this is what happens. I am hopeful that the experiences that the TGA has been through over the last few years, particularly the ANAO report, have led to an improvement in procedures and attitudes within the TGA and an awareness of the need to be seen to be fair as well as actually being fair.

Finally, I want to make a couple of points about the place for complementary medicines and natural health products in the health arena. Like most people I have from time to time used complementary medicines, sometimes with good results and sometimes with no result at all. I must also quickly add that I have had similar experiences with over-the-counter medicines and with prescription drugs. Like most people I have a couple of preparations that I swear by. But I have heard people say that such and such 'cannot be dangerous to health because, after all, it's natural'—whatever that means. This is clearly an illogical, and even dangerous, attitude. Many plants are poisonous. They are natural in the sense that they grow and are not made in a laboratory somewhere, but they are clearly dangerous to health.

The danger that exists with the range of products in use today is that they are not always compatible. The mix of a natural product taken with a prescription medicine may produce unexpected results. I have noticed a reluctance by people to tell their doctor about the complementary medicines they are taking, yet it is important that this information be made available. I think this reluctance comes partly from the attitude that many orthodox medical people have to alternative medicines. They can be quite dismissive of the value of alternative or complementary medicines. This does not stop most people from using alternative medicines but it does stop them from telling their orthodox doctor, for want of a better term, that they are using them. Similarly, natural health practitioners can be very critical of more orthodox medicines. Both sets of practitioners can very intolerant of each other, and this is silly. I often wonder if this mistrust is based on science or is perhaps based on something else, like competition for patients.

There is a real and beneficial place for both medicines in the health care arena. The sooner we and they accept this the sooner the divisions and suspicions that exist will start to disappear and we can all benefit from the positives of both worlds. Meanwhile, I look forward to this bill strengthening the regulation of our medicines and making the TGA more effective for the benefit of all users of all the different sorts of medicines.

Mr PYNE (Sturt—Parliamentary Secretary to the Minister for Health and Ageing) (11.22 am)—in reply—Assuming there are no further speakers on the bill I shall sum up the debate. Can I thank the members of the House who have spoken on this bill: the member for Dobell, from the coalition; the member for Reid, who now has responsibility for therapeutic goods administration matters in the opposition; the members for Shortland and Scullin; and, particularly, the member for Isaacs, who had responsibility for TGA matters until a recent reshuffle in the opposition. The member for Isaacs was the person responsible for this area when the bill was first introduced, and it was she who had arrangements with me at the introduction of the bills. I thank her for the cooperation she showed the government. I also thank the member

for Reid, who took over responsibility and who has also cooperated closely with the government. This bill had the potential to be misrepresented, as the member for Isaacs touched on, but the opposition approached the matter very sensibly and worked with the government to ensure that we have a good outcome. There are some amendments, which I will move at the consideration in detail stage, which will improve the bill even further.

The member for Isaacs made a characteristically useful contribution to the debate and touched on a number of matters to do with the complementary medicines industry which I think would have resonated with most members of the House. A few things that the complementary medicines sector do try to get up in the public domain is that they are David versus Goliath in pharmaceuticals and medicines. Of course, the reality is that their industry is worth about \$800 million a year in Australia these days. More than 50 per cent of Australians use complementary medicines, and the amount of money being spent in terms of value on complementary medicines has doubled in the last few years. So they are not exactly David when it comes to the complementary medicine sector and the rest of the sector, but they very much play on that perception in the marketplace.

I refer the member for Isaacs to the role that Deloitte has been playing in the implementation of the ANAO report of the Therapeutic Goods Administration. That process has gone a long way down the track. Deloitte and the government are pretty comfortable about the role that the TGA is now playing in terms of their transparency and accountability and some of their procedures. There is a new head of the TGA, David Graham, who replaced Terry Slater upon his retirement. That, of course, always brings a new broom into any organisation. The feedback from the industry from complementary medicines right through to pharmaceuticals is that the TGA is working very well with industry to make sure that there are no hurdles in the path of good medicines being made available to consumers.

I was also interested in the comment by the member for Isaacs that the complementary medicine sector say that they should not be regulated by the TGA. I would note that they only ever say that in respect to the domestic market. They certainly want to be regulated by the TGA for their export market, because they find that, when they go overseas to sell their products to Singapore, Malaysia or elsewhere, the TGA mark on their products is an instant entree into those markets. Overseas markets recognise that the TGA is a very thorough and very efficacious process. The complementary medicine sector certainly like to be regulated when it comes to their exports. As the old saying goes: 'You can't have your cake and eat it too'. That the TGA is required to regulate both domestic and export markets for complementary medicines is just something that the complementary medicine sector will have to live with.

In summing up the bill, it amends the Therapeutic Goods Act 1989. It adds new measures to enhance compliance with Australia's regulatory requirements for therapeutic goods. The act and the bill aim to protect the safety and wellbeing of consumers. The amendments include alternative sanctions to those currently in place. These measures will provide more flexibility to effectively address and deter serious non-compliance with regulatory measures. The new options will overcome the difficulties associated with the limited range of enforceable options that have been available up until now. The current options are limited to criminal prosecution or administrative sanction, such as withdrawing a right to supply or manufacture goods. The TGA really only have two gears—first gear and fifth gear—and this bill tries to introduce a

number of other gears to give them the opportunity to help the industry before they have to revert to their fifth gear.

The new legislation protects not only the consumer but also the reputation and standards of manufacturers and sponsors who operate ethically in the Australian market or as exporters to the international market. Where persons inadvertently breach legislation, most issues may be resolved outside the legal enforcement framework—similar to what occurs at present. It provides necessary measures to improve the regulation of therapeutic goods—in particular, the expanded range of enforcement mechanisms will provide a more flexible and effective approach to securing compliance with a regulatory scheme and deterring noncompliance. The amendments included in the bill represent appropriate measures designed to better protect the interests of both the community and the reputation of industry.

The bill provides more flexibility for criminal prosecutions and introduces civil penalties more suited to address and deter corporate noncompliance. The bill establishes a tiered regime of criminal offences intended to better tailor penalties to reflect the consequences to public health and safety of breaches of these regulatory requirements. Hence, breaches that result in harm or injury or are likely to cause harm or injury will attract heavier criminal sanctions. In the case of various tiered offences, the bill allows for alternative verdicts so that a person may be convicted of a lesser offence relating to the same conduct.

The bill introduces new measures which allow the regulator and sponsor to deal with minor issues without delay. The bill enables regulations to be made to introduce infringement notices for strict liability offences and for breaches of the new civil penalty regime. It also introduces provisions that enable the TGA to accept enforceable undertakings from a person to remedy breaches or not to engage in future contraventions.

In relation to contraventions which attract civil penalties the bill will, through the proposed government amendments, extend the current warrants provisions to enable authorised officers to apply for a warrant to investigate and secure evidence of breaches of civil penalty provisions. Where a person is taken to court for a breach of regulatory requirements it is up to the court to determine whether or not a breach has occurred and, if so, what level of penalty should apply in the circumstances of each case. It is important to remember that these are maximum penalties. This was raised as an issue during industry consultations. We were able to provide assurances to industry that there would be no prospect of a major penalty for a minor breach.

Other issues highlighted during industry consultations included a perceived increase in bureaucracy and heavy-handedness. I can assure you there will be no increase in red tape or administration for manufacturers and there will be no costly disruption to the manufacturing process for minor breaches. I can also assure manufacturers and sponsors that if they are complying with the act then they will not be adversely affected by any new sanctions in this bill. I can also assure the therapeutic industry that decisions to pursue a breach of regulatory requirements before a court would not be taken lightly. Where it is proposed to apply to the Federal Court for a penalty order in relation to civil breaches the TGA must seek independent legal advice that there are proper legal grounds for doing so. Where it is proposed that a person be prosecuted, the decision as to whether to proceed with the prosecution will be determined by officers from the DPP.

The TGA has prepared guidelines to provide general guidance on how various aspects of this bill are proposed to be implemented. The general guidelines cover how proceedings could be initiated before a criminal court or the Federal Court; when enforceable undertakings may be accepted; when infringement notices can be issued; and the use of the media to alert the public about potential risks associated with the use of therapeutic goods. These guidelines have been provided to industry for discussion with the TGA.

Overall, the amendments will allow the regulator to better calibrate its response depending on the severity of the breach while allowing for appropriate checks and balances. The bill will benefit industry by ensuring greater consumer confidence, and the public can be assured that there are real deterrents to poor and unsafe manufacturing behaviour and that the regulator can act swiftly and appropriately.

Most importantly, the bill completes the suite of responses to the Pan Pharmaceuticals crisis, which occurred a couple of years ago in Australia. I am certain that the consumer and, in time, the industry will come to see this is an important step in restoring confidence in the complementary medicine sector and the pharmacy industry generally. I commend the bill to the House.

Question agreed to.

Bill read a second time.

Consideration in Detail

Bill—by leave—taken as a whole.

Mr PYNE (Sturt—Parliamentary Secretary to the Minister for Health and Ageing) (11.33 am)—by leave—I present a supplementary explanatory memorandum to the bill and I move government amendments (1) to (6):

- (1) Schedule 1, item 131, page 93 (lines 25 and 26), omit “(within the meaning of paragraph (a) of the definition of that expression)”, substitute “in respect of an offence against this Act, in respect of a contravention of a civil penalty provision or in respect of both”.
- (2) Schedule 1, item 131, page 93 (after line 26), at the end of the item, add:

Note: The heading to section 47 is altered by adding at the end “**and civil penalty provisions**”.

- (3) Schedule 1, item 132, page 93 (lines 28 and 29), omit “(within the meaning of paragraph (a) of the definition of that expression)”, substitute “in respect of an offence against this Act, in respect of a contravention of a civil penalty provision or in respect of both”.
- (4) Schedule 1, items 133 to 135, page 93 (line 30) to page 95 (line 13), omit the items, substitute:

133 Paragraph 47(4)(b)

Omit all the words after “destruction,”, substitute:

or its use:

- (i) in committing, continuing or repeating an offence against this Act; or
 - (ii) in committing, continuing or repeating a contravention of a civil penalty provision;
- (5) Schedule 1, item 136, page 95 (lines 15 and 16), omit “(within the meaning of paragraph (a) of the definition of that expression)”, substitute “in respect of an offence against this Act, in respect of a contravention of a civil penalty provision or in respect of both”.
 - (6) Schedule 1, items 138 to 140, page 95 (line 19) to page 96 (line 30), omit the items, substitute:

138 After paragraph 48J(2)(b)

Insert:

- or (c) for the purposes of an investigation as to whether a civil penalty provision has been contravened; or
- (d) to enable evidence of a contravention of a civil penalty provision to be secured for the purposes of civil proceedings;

139 At the end of subsection 50(2)

Add “in respect of an offence against this Act, in respect of a contravention of a civil penalty provision or in respect of both”.

Note: The headings to sections 50 and 51 are altered by inserting “**and civil penalty provision**” after “**Offence**”.

The purpose of these amendments is to remove the requirement for the Therapeutic Goods Administration to seek two different warrants on different days for investigations of breaches that would potentially attract civil penalties and for breaches that would attract criminal penalties and to roll those into one warrant so that, if an investigative officer from the TGA feels the need to seek a warrant for a particularly premises, the evidence that they collect under that warrant could be used for both civil and criminal proceedings. That is supported by the opposition, as I understand it—in fact, it was suggested by the shadow minister responsible, the member for Reid—and by the industry. The government feels that these are good changes because they streamline the bill and establish clarity. I commend them to the House.

Question agreed to.

Bill, as amended, agreed to.

Ordered that the bill be reported to the House with amendments.

COMMITTEES

Environment and Heritage Committee

Report

Debate resumed from 3 November, on motion by **Mr Barresi**:

That the House take note of the report.

Mr WOOD (La Trobe) (11.35 am)—It is a great privilege for me to stand up here today and report on the sustainable cities inquiry, which was conducted with a bipartisan approach by the Australian Labor Party and the Liberal government.

Mr Martin Ferguson—What about the National Party?

Mr WOOD—Of course the National Party, too. Unfortunately, we had the Greens and Democrats represented. I would like to acknowledge the former chair, the member for Dunkley, for his role; the current chair, the member for Moore; and the deputy chair, the member for Throsby. One of the reasons for my actually entering politics was to place more emphasis on the environment. The other major issue which we have been looking at is terrorism. You may be wondering where the connection is. One is protecting the people and the other one is protecting the fantastic landscape of this country. Also, thirdly, it is supporting my local community in La Trobe.

As a member of the House of Representatives Standing Committee on Environment and Heritage responsible for producing the *Sustainable cities* report, I would like to take this op-

portunity to outline specific benefits that I believe will affect not only my constituents in La Trobe but the entire nation. In fact, there were 32 recommendations—and, as I said before, there was a bipartisan approach—on areas including transport, planning, water, energy and building design and management. Considering that La Trobe is one of the fastest growing electorates in this country, the building design is vitally important, as of course is transport.

I would like to go through several of the recommendations. Recommendation 1 is:

... that the Australian Government:

- establish an Australian Sustainability Charter that sets key national targets across a number of areas, including water, transport, energy, building design and planning.

The committee also encourages:

... a Council of Australian Governments agreement to the charter and its key targets.

This is the approach we need. We need a national approach with the Australian government and the state governments all on board with local councils.

Recommendation 2 is:

... that all new relevant Australian Government policy proposals be evaluated as to whether they would impact on urban sustainability and if so, be assessed against the Australian Sustainability Charter and the COAG agreed sustainability targets.

Recommendation 3 is the establishment of:

... an independent Australian Sustainability Commission.

This was highly recommended by the various experts in their fields who appeared before the sustainable cities inquiry. This will explore the idea of initiative payments to states and territories for meeting agreed sustainability targets. The concept of the national sustainability commission has been considered by many organisations to drive sustainability and work with governments through their decision-making processes.

Recommendation 6 is that:

... the Australian Government significantly boost its funding commitment for public transport systems, particularly light and heavy rail, in the major cities.

On that notion there is an argument out there that public transport is a state issue, especially trains. My concern with that is that we need to have policies and legislation in place which help all of Australia. In my electorate of La Trobe I have put forward a notion that we need the duplication of the Belgrave train line from Ferntree Gully to Belgrave. It seems quite crazy in this age that commuters have to wait up to 15 minutes for a train to come from the other direction. I have also called for a third line to go from Box Hill to Ringwood train station. The reason is that we would have more express trains and therefore commuters would get home quicker and be able to spend more time with their families. It would also save the environment, with fewer cars on the road. I have actually put this to our state Labor government, and so far they are yet to get back to me. In the meantime I strongly urge that the government which I am part of look at this, because this is vitally important to the future of our country.

The committee also visited Perth's city trials of hydrogen powered buses. This is a fantastic initiative where the company involved is working with other bus companies around the world. On a daily basis they pass on information to each other with regard to the outcome: how to

improve. I strongly suggest that in the years to come we should aim to remove from the roads more diesel trucks and cars using petrol. The trial of renewable energies to power public transport began in 2004 and Perth is one of the first to trial hydrogen fuel cell buses in the world. These buses create no pollution, as the fuel cell uses hydrogen and oxygen to create electricity. Currently, it is not financially viable for all of these buses to run on fuel cells. However, as the price of diesel and petrol continue to rise, there may be a trend towards these fuel cells which, when mass produced, will become less costly. Using hydrogen fuel cells as an alternative to petrol and diesel will have an impact on the current level of pollution. Recommendation 7 is that:

... the provision of Australian Government transport infrastructure funds include provision of funding specifically for sustainable public transport infrastructure for suburbs and developments on the outer fringes of our cities.

As I stated before, my electorate of La Trobe is considered to be on the fringe of Melbourne. Areas such as Berwick, Beaconsfield and Officer are experiencing extreme growth in the second fastest growth corridor in Australia. That reminds me of the importance of the Pakenham train line and that, again, we need major upgrading to ensure that the outer eastern commuters have the fastest, safest and best means of transport when travelling to and from the city. Access to public transport in this fringe area is particularly crucial, as roughly 100 families are moving into this area per week. At present, the lack of public transport increases the isolation felt in fringe suburbs not only by families living in those areas but also by workers contributing to the development of these suburbs. The south-east growth corridor will benefit greatly from this commitment to sustainable public transport and infrastructure. The Commonwealth has committed \$11.8 billion to AusLink and, as I said before, I would also like to see AusLink look at urban transport in the future.

Current fringe benefits tax laws are encouraging people to use their cars rather than alternative forms of transport. If these concessions were removed, these funds could be channelled into improving our public transport system. Bicycle New South Wales say that more than \$750 million is spent on subsidising car use. In addition, the reduced tariff on improved four-wheel drives is not only helping farmers but also contributing to 20 per cent of new car sales, with a tariff on four-wheel drives 10 per cent lower than other imported cars. This provides an incentive to purchase the least efficient vehicles on the market. Recommendation 8 is that:

... the Australian Government review the current FBT concessions for car use with a view to removing incentives for greater car use and extending incentives to other modes of transport.

The current level of car use is having a negative effect on our environment with the level of pollution that is created every day. The committee is a strong believer in encouraging Australians to reduce the frequency of car use and to increase the use of alternative modes of transportation. The current rise in fuel costs is becoming an incentive for public transport use. The use of public transport in the long term is one recommendation that will have lasting effects on our environment and the community. The recommendation to review fringe benefits tax concessions for company cars and the rise in tariffs on four-wheel drive vehicles have come under some scrutiny. These high-polluting vehicles are contributing to the current levels of pollution, which could be curbed. The committee will review these concessions as a means of encouraging increased public transport use. As I said before, for the people in La Trobe, raising tariffs on four-wheel drive vehicles and reviewing FBT concessions to boost public trans-

port take-up cannot have the same effect as a local transport system which is inefficient, causing people to rely on cars.

I refer to recommendation 12, which states:

The committee recommends that COAG—

the Council of Australian Governments—

as part of the National Water Initiative, fund an education campaign educating the public about the benefits, economics and safety of using recycled water.

This is one of our country's greatest issues. Australia as a nation has experienced a water crisis. As a country, we are more aware than ever before of our precious water supply. Australia's water consumption per head is the world's highest, which seems quite unbelievable. The committee heard that Australia's management of water has been wasteful, unsustainable and environmentally irresponsible. Australia needs an integrated solution to our water use crisis involving a more efficient use of water, recycling of wastewater, better harvesting of run-off and, in some cases, desalination. The National Water Initiative is addressing the issues through expansion of water trading, better water planning and more efficient management of water in urban areas by, for example, recycling stormwater—an obvious solution. A more environmentally conscious Australia—and this includes every person in my electorate of La Trobe—can have a real impact on the conservation and management of our water resources. The committee's recommendations are thorough and are a firm commitment to leading Australia into an environmentally conscious, responsible and sustainable future.

I refer to recommendation 21, which states:

The committee recommends that the Department of the Environment and Heritage and the Australian Building Codes Board work with industry groups to raise awareness among builders, architects and developers of the economic and environmental benefits of sustainable building practices ...

As La Trobe's south-east growth corridor population is growing so dramatically, the concept of building with recycled materials is crucial to this area. In addition, the use of solar panels on rooftops is being encouraged through various rebates. Delfin Lend Lease has designed its residential communities with solar orientation to aid home cooling and heating. I have visited the Delfin Lend Lease estate in Pakenham, which is part of my electorate, and I commend Delfin Lend Lease on its environmental decisions. Also, the first home buyers grant increase to \$10,000 is for building environmentally friendly houses, so locals will be living in houses which use the least amount of energy. This will help in respect of the growth corridor for many years to come. Finally, while reports like this are often tabled in parliament, if action is not taken on this report this great work by the committee and, in particular, those who reported to the committee will be wasted. I commend the committee's report to the House and ask that this report be actioned.

Mr MARTIN FERGUSON (Batman) (11.47 am)—It is with some pleasure that I address the Main Committee this morning in support of the recommendations of the report of August 2005 by the House of Representatives Standing Committee on Environment and Heritage entitled *Sustainable cities*. In doing so, it is important that I remind the Main Committee that this report is the product of an area where some of the real grunt work of the parliament is done. When someone comes to Parliament House for a visit, they complain from time to time that not many people are actually sitting in the House of Representatives chamber. But the

truth is they underestimate the importance of our committee structure. Today's report, which has had cross-party support, reflects the importance of the committee structure of the House of Representatives and also, I dare say, the importance of the Senate's committee structure.

I want to say that, from the opposition's point of view, this report is not just about major capital cities such as Sydney, Brisbane and Melbourne. It is also about the key provincial cities of Australia, places such as the twin cities of Albury and Wodonga, Geelong, Newcastle, Wollongong and Townsville. In that context, when I actually looked at the committee's membership during the 40th and 41st parliaments, I was surprised to see, given the importance of key cities such as Mildura and Gladstone, that in both parliaments The Nationals chose not to serve on this committee. That nonmembership of the House of Representatives Standing Committee on Environment and Heritage is an indictment of The Nationals.

As someone who previously had responsibility for regional development, transport and infrastructure, I understand the importance of these provincial cities, so my remarks this morning are focused not just on our key capital cities but also on our major provincial cities, which more and more are becoming focuses of economic activity around Australia. Just think, for example, of the importance to our export sector of Karratha in the north-west of Western Australia, which I had occasion to visit recently. The proposed fifth gas train represents an investment in Australia of \$2 billion. The wealth that is actually being achieved for Australia by exporting iron ore, gas and salt out of a place such as Karratha speaks for how important these provincial cities are nationally.

In terms of Australia's future, the report is correct: it is about time that we, as an Australian government, gave more attention to the importance of urbanisation in Australia. As someone who grew up in the western suburbs of Sydney, I have seen the importance given by previous Labor governments to the outer suburbs of our cities. I can think back to the Whitlam government. From living in the western suburbs of Sydney, I know about such basic issues as putting the sewerage on. The Westmead Hospital is a tribute to the Whitlam Labor government. We in the western suburbs of Sydney benefited from a bread-and-butter point of view with respect to these government programs.

I think of the Better Cities Program of the Hawke and Keating governments when Brian Howe was the minister. From the western suburbs of Sydney we used to have to go to Parramatta, go into Granville and change trains to go out on the Penrith line. Under Better Cities we took out that requirement and there is now continuous rail access from the Liverpool line through to the Penrith line. From my seat in the northern suburbs of Melbourne, I can see the effects of the Better Cities Program. There is the extension of the tramline down Plenty Road to Bundoora past La Trobe University, which is important for our young people. When you go down the Burwood Highway, you can see the extension of the tramlines—all done by Australian governments. For those reasons, I think the whole Australian community has to take this report seriously. This report gives us, as a national parliament, a unique opportunity to take up some of the challenges confronting Australia at the moment, with over 80 per cent of the Australian population living in our cities. It gives Australia, one of the most urbanised countries in the world, an opportunity to start thinking seriously about the issue of sustainability.

Australia as a country which is so highly urbanised has to start fronting up to this challenge because we have to invest in making our cities more sustainable. It is about a vibrant and healthy community. It is also about equity. I represent a seat that I suppose, as a fairly inner

city seat, is quite well off in terms of access to public transport. But I think about the areas where I grew up in Western Sydney and I think about the suburbs even further west of Guildford in the Parramatta municipality. The inadequacy of public transport in some of these outer suburbs of our cities is an equity issue.

I go into the centre of Sydney and I stay in a hotel. I talk to the domestic staff who make my bed and clean up after me. They get a gross wage of about \$490 per week for working a Monday to Friday day shift of 38 hours per week. When you talk to them they tell you they leave home at about a quarter to six in the morning to catch the train from Penrith to the city to clean up after visiting politicians, businesspeople et cetera. They are reliant on public transport. It is an equity issue because out of that gross wage of about \$490 per week, because of the distance travelled because they cannot afford to live in the inner suburbs, they are buying a weekly rail ticket for \$40 or \$50 and also spending an hour-and-a-half or two hours either way to get to and from work. This is not just about the quality of our environment; it is also about equity. It goes to the importance also of access to transport for the purposes of being able to access employment opportunities and training and education. That is why, in the context of where I grew up in Western Sydney, the University of Western Sydney was so important. It actually made education accessible. It might not be one of the sandstone universities and seen as one of the prime opportunities of life in our capital cities but it is an important institution that gives young people from Western Sydney access to education. There are also accessibility issues in terms of getting to some of those campuses in Western Sydney.

I think it is about time that we as a nation accepted that, in terms of our cities, our current lifestyle is unsustainable. If we are going to make progress on this front, we also have to accept that some of the shifting of policy responsibilities between local, state and the Commonwealth government has to stop. I think urban transport is a joint responsibility of all levels of government. As a previous shadow minister for transport, I can assure the parliament that our policy reflects the fact that the Commonwealth ought to also be involved in the provision of public transport. For example, one of the recommendations of the report was that we change the criteria for the purposes of the use of Roads to Recovery funding to enable metropolitan councils to use that Commonwealth funding for public transport purposes. Why should it be specifically confined to road transport?

Mr Turnbull—And bicycles.

Mr MARTIN FERGUSON—And also, as is currently provided for, for improving bicycle tracks. That is currently one of the provisions of the Roads to Recovery program. So you can broaden access for councils making the decisions about how this Roads to Recovery money can be spent. For example, it can be important for roads in the seat of Hinkler, represented by Mr Neville. Alternatively, in the metropolitan area of Melbourne, the Melbourne City Council might decide that, to improve transport, spending some of that money on public transport facilities is far more important as a priority than spending it on roads, bicycle tracks or footpaths. They are decisions we should give local government the responsibility to front up to because, in the end, they are accountable to the local community for how their scarce public money is spent.

When we think about per capita use of energy, gas emissions and water consumption, Australia is among the highest in the world. Our material consumption per capita is the highest of all developed countries, and waste per capita is second only to the US—and that is despite the

fact that we think we are actually pretty good at recycling. We have room to make further progress, because I think we have to accept as a result of this report that not all growth is sustainable. That is the challenge to Australia: how do we come to terms with our desire to enlarge the economic cake, achieve a higher level of economic growth and create even better well-paying jobs demanding an even higher skilling of the Australian work force but, at the same time, ensure that growth in our cities is sustainable?

This report gives the Australian community and this parliament a chance to focus on some of those challenges. That is why I also want to stress, as the report says, that sustainability is not just about caring for the environment. It is also about social equity and political participation. Sustainable practices include conservation of our urban green zones; efficient use of energy, including renewable resources; water management; and the minimisation of domestic and industrial waste. It is one of the challenges that we as a nation have to confront sooner rather than later. We also have to accept that by improving the sustainability of our cities we are going to benefit 80 per cent of Australia's population. That is not a bad policy mix to pursue. Thinking in our short-term political horizons from time to time, we think from election to election. To start doing something about the sustainability of our cities you are delivering to the voting public benefits to 80 per cent of the Australian community, so all political parties ought to take this report seriously.

It is interesting to note that it is going to get worse, because most of the population growth—some 64 per cent in the 2002-03 period—is in the cities. In terms of the growth of the Australian population, the only competing area is, frankly, in our Indigenous communities in the northern area of Australia, which is going to be exceptionally important to the resources sector in the future. That is going to be the source of the work force, training and the opportunities for meeting our export challenges in the future. Our cities currently house 12.7 million people, or two-thirds of the population. That urban growth is now affecting not only the environment, health and the economy but also the cost of doing business. We have to accept that urban congestion is a barrier to efficiency in industry in Australia at the moment.

I can think, for example, of the huge benefits that are going to be achieved in Western Sydney from the joint partnership between the New South Wales government and the Commonwealth government just by building the Western Sydney Orbital. That is a major national highway achievement. If I remember correctly, it takes out about 55 sets of traffic lights. Think of the reduction in the wear and tear and the cost of doing business—moving freight, moving people—that is going to be achieved with that simple piece of infrastructure. Everyone in the Australian community is going to benefit, especially business. These are practical examples of where governments can put their heads together and cooperate rather than run campaigns about whose responsibility it is, as occurs in the lead-up to a state or federal election. These COAG processes, moving from portfolio to portfolio, have to be pursued more rigorously, rather than just standing up and saying it is the states' responsibility or the Commonwealth's responsibility.

Similarly, the report properly points to the fact that, not just in terms of the cost of doing business, urban environments are contributing to key health problems—obesity, cardiovascular disease, diabetes and respiratory illness. One of the biggest problems we as a community have is our ever-burdening health budget. The indirect health costs caused, for example, by physical inactivity are estimated to be \$377 million a year. If we can get our cities right, then

we can actually make a big statement about how we can improve our health. In turn, that would be a saving to the Commonwealth budget, which would mean that we could actually spend those taxpayers' dollars on other things.

I am pleased to say, for a variety of reasons, that this report represents the work of the committee structure. It is a statement which has the bipartisan support of all political parties of the need for us as a community to get serious about these issues. As I have said, public transport is an issue of sustainability. I very much support the report's recommendations, including how we accelerate the uptake of renewable energy. We have to do this because our ever-increasing demand for energy is putting further serious demands on our baseload energy capacity. Some big questions have to be confronted in the foreseeable future about that baseload energy capacity on the east coast of Australia because of the growth of our cities. The increasing requirement, in the minds of people, for airconditioners creates baseload energy problems in Sydney and Melbourne each summer. We need to think about some of the renewable energy issues.

The opposition very much embrace the recommendations of this report, including full and proper consideration of an independent Australian sustainability commission and charter. We think that is worthy of consideration. We do not have to tick off on all these recommendations at the moment, but we have to have an open mind and be seriously willing to debate them and consider how we go forward. In some ways, I think we should be guaranteeing that this report is referred for proper consideration to the joint Commonwealth-state ministerial council, including representatives of local government, and that they be required as part of their work to think about these recommendations and to consider how these recommendations can be implemented. I commend the report to the House.

Miss JACKIE KELLY (Lindsay) (12.02 pm)—I rise to speak on the report of the Standing Committee on Environment and Heritage entitled *Sustainable cities*. I would like to give credit to the member for Dunkley, the original chair of the committee. In my role as Parliamentary Secretary to the Prime Minister, I was given responsibility for outer metropolitan areas and I, together with a number of government backbenchers who represented seats in those outer metropolitan areas, looked at the various issues that we seemed to be being short-changed on. If it was a rural program and the benefit was to go to a rural area, then we would not get it. If it was an urban program and the benefit was to go to an urban area, then we were considered to be rural. There was this belt of population exploding around our major urban centres where the housing had just gone in and the services were left to follow. The standard of living and the needs of people were quite different from either the urban or regional areas.

I remember the member for Dunkley being a very keen contributor to that group. Out of that group, this topic, the subject of this report, was referred to his committee and he took it up with gusto, and the member for Moore, Mal Washer, has continued his work. That is one of the reasons why, on my return to the back bench, I was very keen to participate in this inquiry into sustainable cities and to have some input into the areas the committee was addressing. The inquiry was wide ranging, covering transport, roads, social isolation, urban planning, water—all of the things that the outer metropolitan areas have largely discussed.

My comments will largely be Sydney-centric, given that it is leading the charge. It is a city of four million people and that is expected to double by 2050. We lead the way in a number of challenges that we have to deal with, as the member for Batman has outlined. No doubt Mel-

bourne, Brisbane and Perth can follow in Sydney's footsteps and hopefully not make some of the same mistakes by better coordinating their urban planning. We are already seeing evidence of that in Perth with their grip on the water crisis and also their use of hydrogen buses in their public transport system.

As to the committee's recommendations for a sustainability commission and a sustainability charter—and I love the fact that we are going to include national competition payments—a certain amount of work has to be done by COAG. As a federal government, we must deal with each of the states equally. If a state has been active by putting in outer metropolitan rail transport and road infrastructure and has kept pace with things, quite naturally it is not going to get as much federal assistance as somewhere like Sydney.

The member for Batman mentioned the Western Sydney Orbital. The Western Sydney Orbital will have 17 interchanges. The local roads that have been upgraded through federal government funding to attach those interchanges to what is essentially a national highway are a disgrace. Those roads should have been upgraded out of the state roads budget and not as part of national highway funding. But there have been decades of neglect. Both Labor and Liberal state governments have not put in the road infrastructure in the areas of Sydney that people have moved to. We are now left with a federal highway being used as an excuse to suddenly put in all of these local roads.

There needs to be better planning. When we undertake urban design we need to look seriously at where the footpaths are. In my own area there are very limited footpaths. When I visit the seat of the honourable member for Wentworth I find beautiful footpaths and wonderful areas to exercise. In my area there are new housing subdivisions. Councils will take the money from the developers for the footpaths on the basis that, when the houses and the community are established, they will supposedly put the footpaths in. I do not know where the money goes but the footpaths are not there. We have people exercising on the road and the elderly walking on the road. Years later there are still no footpaths, and we wonder why we are dealing with obesity and social isolation in our outer suburbs. All of these things have knock-on effects, such as for bikeways.

I highlight recommendation 5, which calls for the federal Roads to Recovery program to look at alternative ways of connecting people—such as rail, buses and footpaths. Speaking of buses, I endorse the reference by the member for Batman to this being an equity of access issue. In Sydney the private bus companies are left to operate on very non-profitable lines due to market failure in outer Western Sydney, whereas the very profitable lines within the inner city are all run by public bus companies. Who is pocketing the change? I think government has an obligation to run buses over non-profitable lines and provide a service to citizens where the private sector has completely failed. When you build up sufficient passengers and sufficient usage, the private sector may then move into what may be a profitable area.

But so far both the government bus system and the private sector have deserted Western Sydney. We have no rail. The Parramatta to Epping line of the rail link has been dropped. There are no plans for any rail to link Penrith with Campbelltown or any ring-rail system around Sydney. The ideal thing in the rail system of most large cities is to have concentric rings of train services, with a star cross through the centre, so that you can make your way across the city either by going around the outer ring or by coming down in a zigzag way off various lines and changing at various stations. The western suburbs line is overcrowded, un-

derserviced and is losing passengers in droves. When they do not take the train, they will take the car and we are left with a very congested M4. If you think the Western Sydney Orbital is going to be a salvation, it will not be. I guarantee that it will be choked the minute it opens. It will not solve many of our urban congestion problems. I am sure that the minute it opens one lane will be closed while they build the third lane. We always seem to be behind the eight ball in these things.

We need to look at reducing transport needs. Things such as working from home and shopping on the internet can reduce road usage. We could stagger work times to address peak-hour congestion going into the city. Our workplace relations bill will certainly help in this regard. We could have shifts starting at 8, 9 and 10 am and finishing at 4, 5 and 6 pm. We can stretch out our use of the huge roads infrastructure in Sydney by employers being sensible about it. Instead of having our roads completely choked for a couple of hours a day, we can spread that patronage over four or five hours, as people will have varying start and finish times.

I want to put on the record that I am not advocating that we put on more FBT. Philosophically, I feel that we should not really have FBT at all. It is incredibly expensive for businesses to administer and it is a high cost that is passed on to consumers. There are better ways of collecting tax than FBT. I support recommendations 8 and 9, which will influence people's fuel usage and choice of vehicle. With regard to four-wheel drives, I urge car companies to come up with a people mover that will accommodate a mum, two kids and the friends and hangers-on. Even if we put up the price of four-wheel drives, mums are still going to buy them because they can fit the gang inside. With the Ford Territory, Ford has come up with a mums' vehicle. Instead of catering to male tastes, car manufacturers should start delivering 'kiddy people movers' so that we can move away from four-wheel drives. But no matter how high you drive the price of four-wheel drives, they will stay on urban roads for as long as mums have to do the bus route—for as long as we do not have public transport that is accessible for prams and kiddies and for picking up this child, that friend, this mate and so forth. We need better designed cars that meet our needs. I think we need more female car designers.

Ms Vamvakinou interjecting—

Miss JACKIE KELLY—That's right—we need a tissue box in the middle! A lot of the recommendations are about liveability. My area—Penrith, in Western Sydney—has a population of 140,000 people. We are not exactly rural. All the trees along the road have been planted by the council. It is a built environment and we want it to be liveable, we want it to be handy and we want it to work, so we need urban design. I recommend that everyone have a look at the Swedish model, which is outlined at page 152 of this report. The report says:

A vision for sustainability must engage Australians and have meaning—it must close the gap between policy makers and the lived reality of Australians who will, ultimately, be the practitioners of sustainability principles.

And it is about the lived reality. My local council is a small council of 120,000 people and it is dealing with the Mirvac's, Meritons and Lend Leases of the world. It used to be that the council was the be-all and end-all—it had huge resources. To get a traffic report, an environment report, a water run-off report or an impact statement on what a development would mean, you used to go to the council. Today the developers do that and fund that. That may be the council's choice, but they are severely lacking in resources and there is a disparity in size in terms of the urban planning they are doing. I have very rarely seen councils win against the re-

sources of those types of companies when it ends up in the Land and Environment Court and those reports can be produced.

We really need a national statement through which we can direct councils—by allocating funding and encouraging extra funding—to go along with planning principles that allow for public transport and green space and enable people to raise children in a liveable environment rather than in social isolation. We have a system that has stacked in as many residents as is physically possible—in the narrowest roads and with the least amount of green space possible—for the greatest profit to those who have the task of filling the need for more than 600,000 new homes in Sydney over the next 20 years. We have phenomenal population growth in Sydney and we do have to house people, but it does not have to be in two-bedroom, walk-up, three-storey apartments next to a railway line. We can offer people something better.

There are great examples—such as Christie Walk and other developments—that this committee visited and spoke to developers about. There are some great developments which have created liveable areas. This sustainability commission is the overarching body which will consider how these individual developments will interrelate. You may have a world's best practice development sitting, say, on the ADI site, but how does that impact on the rest of the region? When those houses are established the people, and everyone surrounding them, will pour onto the M4 to congest it even further as they go into the city for work. They will be fighting for the increasingly limited number of jobs that are local and close by. They will take up the public transport system and create more run-off and other issues for the local area. So though the development may be world's best practice within its own region we really have to look at, and work through, how it impacts on the area of Western Sydney and the outer metropolitan area as a whole.

I am on the record, on a number of occasions, as being very against recycled water. I think my quote was that it was 'play on poo'. I feel our recreational areas should not be watered with recycled water. After working on this committee I am happy to change my view on that. I strongly urge those who have the opinion that I had—if you are worried about your children falling over and grazing themselves on playing surfaces—to look at Hawkesbury City Council. That council has been using recycled water in a potable way for some time.

A major government campaign to change the ignorance of people like me, and our attitudes to recycled water, is really needed in Australia. If my attitude can be changed after working on this committee, I am sure that with a serious effort we can manage to change the community's attitude. Then we can move forward with recycled water, which does raise some issues in people's minds as to how it should be used.

I commend the report to the House. It contains pretty much everything that I have ever wanted to say on urban planning in Sydney and it is something I have made one of my key priorities as a representative of those areas. It is a great report. It is bipartisan. Let us see this sustainability charter and commission established as soon as possible.

Mr GARRETT (Kingsford Smith) (12.17 pm)—I join with other honourable members in welcoming the release of the report of the House of Representatives Standing Committee on Environment and Heritage entitled *Sustainable cities* and in confirming what I think is a very encouraging degree of unanimity around the House for both the recommendations and the bipartisan nature in which the report reached its conclusions and was supported. I certainly

commend the chair, the member for Moore, and in particular the deputy chair, the member for Throsby, for the work that they have done.

If the expression 'sustainable cities' is going to mean anything, those cities will need to be healthy cities. They will need to be cities which connect people to their local communities. They will need to be cities which provide people with comfortable homes, safe streets, safe and accessible transport, and good walking and cycling facilities. They should provide parks for young people, playgrounds and other entertainment areas, and schools that are healthy and sustainable. They should be alive with native birds and other animals. They should have clean air and they should have clean water. They should have low rates of asthma and obesity and they should encourage a good, positive mental attitude. They should provide healthy jobs and healthy workplaces. Sustainable cities can do all those things and should do all those things. It would be one of the tasks of national government, particularly now that the *Sustainable cities* report is out there, to take up those recommendations and to pursue the vision of a sustainable city that I have just summarised.

There is much support for this report. I understand that last night over 1,000 people attended a meeting in Sydney to discuss issues raised in the report. I think the member for Wentworth will probably speak to that when he rises. I understand that he was there. Professor Peter Newman, the New South Wales Sustainability Commissioner, who spoke at the meeting last night, wrote in today's *Sydney Morning Herald* about the most surprising recommendation that this report made—that the government should not only fund urban transport but should give special consideration to passenger rail, especially in the outer areas of cities where car dependence has reached its limits.

In the bipartisan spirit with which this report is being brought down, it is probably as important to concentrate on what ought to happen and on what responsibilities the federal government may choose to take up as it is to concentrate on what should have happened in the past and on whatever shortcomings, real or imagined, state governments and local authorities may have had. There is no question whatsoever—I think all members would agree—that the challenges are too great for any one level of government to deal with in relation to sustainable cities. Professor Newman says:

If the next million people to arrive in Sydney were located next to quality rail options, then the city would save about \$24 billion in land opportunity costs, \$14 billion in infrastructure costs and \$4 billion to \$6 billion in driving costs per year.

As he points out—and I have made mention of this a number of times in the House—with the looming oil crisis, these costs are probably understated as opposed to overstated. He says:

It's now up to us to push the Federal Government to act on this report.

Certainly, that is what we want to do. I spoke last week in the House on the approaching 'collision point', as I described it, where we face increasing energy use, producing more greenhouse gas emissions, manifesting in climate change and leading to global warming. I said at the time that the need for a national energy policy and sustainable policies to be embedded in things like a national energy policy were absolutely critical. This collision point is just as critical as what we do in our cities. After all, that is where most of us live. That Australia is highly urbanised is well understood. We certainly need a national policy that addresses the challenges faced by our cities, and many of those challenges are environmental. Sydney's ecological footprint is some 27 times the size of the city. We are hemmed in by mountains on

one side and by the sea on the other. Like all other cities, particularly some others in the Federation, Sydney has no choice but to become genuinely sustainable. As members know, our water use is profligate. We are out of easy options to address dwindling supplies. Our motor vehicle use is out of control. I include myself as one who still drives a motor vehicle. I encourage members to consider the proposals put by the member for Wentworth and others and I also encourage them to consider taking up the option of using LPG in their motor vehicle. It would not entirely reduce greenhouse gas emissions but it would reduce some.

We have also absorbed a lot of productive agricultural land in the Sydney basin and we have not had decent planning and public transport infrastructure in place. Future citizens are condemned to longer journeys on roads with more pollution, more sickness, more accidents, more cost to the health system and a drawdown on the ecology of the region which simply cannot be maintained. If we get our cities on a sustainable footing, we will have gone a long way to addressing and resolving some of the big environmental problems that we face as a nation. The *Sustainable cities* report is important. The fact that it carries bipartisan support gives it greater credence.

It is critical for the government to respond not only to this report but with increased urgency to the threat of global warming and the consequences that it has for us all. I refer to a speech given recently by the President of the ACF, Ian Lowe, at the National Press Club. He said:

Research released last month by ACF and the Australian Medical Association shows that a 'business as usual' approach to greenhouse pollution could result in the transmission zone for dengue fever stretching down the east coast as far as Sydney—

the sustainable city that some of us in this House have more interest in because that is where our constituents are. He continues:

In the same period annual heat-related deaths are expected to rise from 1,100 a year to between 8,000 and 15,000 a year.

A report from the Water Services Association of Australia, released last week, assumes a 25% reduction in water yields from catchments, due to the likely impacts of climate change. That's a big drop in the drinking water available to Australia's ... cities.

We are aware of the *Millennium ecosystem assessment synthesis report*, released earlier this year by the United Nations, in which again the warnings are very clear to us. Species loss is accelerating. There is increasing pressure of habitat loss and introduced species and chemical pollution is increasing, and those processes are being supplemented by climate change.

In bolder language, Elizabeth Kolbert, writing in the *New Yorker* some months ago, referred to the situation that we find ourselves in. Until a writer writes it for us, it is impossible for us to imagine that a technologically advanced society such as ours could in essence set about slowly destroying itself. But to some extent that seems to be what is happening. That is why embracing sustainability is so important.

On a smaller scale, I noticed an article in the *Canberra Times* headed 'Early spring rocks animals: Kosciuszko species feel the heat'. It says:

Seasonal variability caused by global warming was already affecting wildlife in Kosciuszko National Park—

not far from this house of parliament—

causing a dramatic decline in numbers for some vulnerable species, a leading alpine ecologist said yesterday.

Seventy-five scientists who gathered in South Australia recently to consider the prospects for Adelaide simply made mention of the fact that, within 30 years, the city will be an urban wasteland unless it gets itself on a sustainable footing.

That is not to say that there are not many things that (a) we can do or (b) are already being done. I want to make quick mention of the efforts of Randwick City Council. On 11 October this year, Randwick council brought home two prestigious merit certificates for the 14th annual local government management excellence awards. These awards recognised an aspiring young manager, Anne Warner, and the combined development and implementation of the council's Sustaining Our City program and its strategic 20-year city plan. The general manager, Ray Brownlee, pointed out:

Through these projects, Council has developed strong partnerships and is working with the community to preserve and enhance the local environment.

It is being done in Randwick. It needs to be done around the nation.

Sustainable cities are ultimately about making choices, but it is clearly time that our impact—the impact that we have on the environment—is lightened and lessened. Importantly, we should put these recommendations in their context and understand that having no meaningful national strategy for reducing greenhouse gas emissions in place now means that it will be that much harder to get sustainable cities onto a permanent footing.

We urgently need pricing reforms and pollution reduction targets. We do not want slow motion politics from the government on this particular issue. I assert very strongly that a national strategy for climate change is an essential component of any national strategy to deal with sustainable cities. Both are needed. The former links to the latter. The components include a whole-of-government approach; infrastructure support, especially in relation to transport; policy reforms which support greenhouse gas reduction; energy efficiency; taxation reforms which remove disincentives to energy efficiency; elimination of harmful subsidies; and program funding. All of these things—some, if not all, identified in this report—are essential components of an integrated approach to sustainable cities. But, just as importantly, they make up the components of a national greenhouse gas or climate change strategy.

I was particularly pleased that the committee took up the idea of an Australian sustainability charter. There is no doubt that the reforms that we saw through COAG—the competition reforms of the 1990s—provided a reasonably effective way within the Federation for us to actually deliver increased efficiencies in areas that COAG addressed. It is particularly important that this aspect of the committee's report be taken up.

Members may be aware—I am sure some are—that there is a process under way initiated by the Treasurer requesting the Productivity Commission to inquire into the impact of competition policy reforms to date. On 14 April the Productivity Commission released its final report. That is under active consideration by COAG and it is moving through the system now. It is important to take a number of things from that report, but I think the most critical thing is the need for a national efficiency target to be set. You cannot drive sustainability reforms unless you have targets, and that is very clearly the challenge that the government has.

The Productivity Commission acknowledged the impact that productivity reforms had on the environment—those negative impacts—and it pointed out that future reforms will need to be specifically designed to have an environmental benefit. That so-called third wave of reform must include an outcome based approach—yes, through the continuing use of incentive payments, as has happened in the past, but also, if it is to happen successfully in the future, through national sustainability targets. That is one of the keys to creating sustainable cities that is identified by the report, and I commend it. The National Sustainability Commission, which had carriage of the charter targets, should get about its job with some urgency.

I want to refer very quickly, if I can, to some other aspects of the report, but before I do that I want to make one comment in answer to other comments that have been made relating to the responsibilities that state governments have, including taking on board the recommendations that this committee has made.

Mr Turnbull—What do you think of the desalination plant?

Mr GARRETT—I am glad that the member took the opportunity to read my mind because I am just about to advise him. In relation to the proposed desalination plant, I do put it to the member, through the Deputy Speaker, that there is an expectation that governments should prudently plan for the worst-case scenarios that face them in urban planning and that they should have options ready for those scenarios. To that extent, by identifying a desalination plant, the New South Wales government has done the right thing. But in my own view—and I am expressing a personal view as the member for Kingsford Smith—it is a last option and by no means the best option. There are a number of severe disadvantages to the proposal that has been put forward. It is very expensive, it will produce extensive amounts of greenhouse gas emissions and it underestimates the population of Sydney's capacity to embrace recycling. But, more importantly than any of those, as someone who has been involved in conservation for a very long time, it betrays the first rule of sensible conservation: it is only using the water once. It is not good enough. I hope that the New South Wales government takes note of these comments and of this report.

In the time left available to me, let me commend again the work of this committee. The recommendations include governance and policy frameworks, planning and settlement patterns, investigating sustainable modes of transport, implementing education campaigns regarding recycled water and water efficiency schemes, encouraging the use of sustainable building products and practices, making sure that we have a five-star energy rating which actually works in a mandatory sense across all the planning regimes in the Federation, further encouraging the uptake of photovoltaic systems and renewable energy and making the study of the built environment a priority. They are all eminently worth while and important recommendations. As someone who has both inside and outside of the House talked about and worked for extensive periods in my adult life on these issues, I very much hope that they will be taken up by this government as a matter of urgency.

Mr TURNBULL (Wentworth) (12.32 pm)—The *Sustainable cities* report was produced about two months ago by the House of Representatives Standing Committee on Environment and Heritage. The committee worked very well and constructively. Its chairman was the member for Moore, Mal Washer, although the inquiry was commenced in the previous parliament under the chairmanship of the member for Dunkley, Bruce Billson. The Liberal members of the committee were Mal Washer, Russell Broadbent, Jackie Kelly, Stewart Macarthur,

Jason Wood and me and the Labor members were Jennie George, Kelly Hoare, Harry Jenkins and Duncan Kerr. A number of them were on the previous committee and, of course, Phil Barresi, the member for Deakin, who is here in the Main Committee today, played a very important role on the committee in the previous parliament.

Mr Barresi—Thank you very much, Member for Wentworth.

Mr TURNBULL—You assured me of the important role you played a moment ago! So it was a very enjoyable and constructive experience being on the committee and everybody worked together with the common goal of trying to develop innovative ways in which the clearly unsustainable development in our major cities could be addressed.

What is sustainability? Peter Newman spoke at a big meeting in the Town Hall last night, at which I also spoke and to which the member for Kingsford Smith, Peter Garrett, just referred. Over a thousand people came to that meeting, which is not a bad roll-up and indicates the level of interest and concern about sustainability. Peter Newman spoke eloquently about this issue and was very generous in his praise of the report. He provided what I think is the best definition of sustainable development, which is from the 1987 World Commission on Environment and Development, and that is that sustainable development is development which meets ‘the needs of the present without compromising the ability of future generations to meet their own needs’. That is a very pithy definition of sustainability because it underlines the point that we are not simply talking about our own lives and our own environment but talking about the ability of our children and our grandchildren to survive in the environment that we leave them.

As previous speakers have observed, and as the report observes, we are a very urban nation: 80 per cent of Australians live in cities with populations of more than 50,000. Forty per cent of our population live in Sydney and Melbourne alone. There is no question that, by many measures of sustainability, our cities are deteriorating. We are running out of water. The water deficit in Sydney by 2030 will be 38 per cent—that is, we will have a 38 per cent gap between the amount of water we expect to be using and the sustainable yield.

We have seen a 60 per cent increase in vehicle kilometres travelled in Sydney between 1980 and 2000. Yet through all of those years we have known—all of us—that oil is a finite resource. We have known about the problems of congestion and pollution. We have known about the obesity that is caused by vehicle dependence. Yet what has happened? Vehicle usage—vehicle kilometres—has gone up, not down. The share of journeys on public transport has decreased. It is extraordinary that, even today, we are seeing more examples of this perverse, wilful refusal to take responsibility for sustainable development in our major cities. And there is no worse example than in the city of Sydney.

The Cross City Tunnel, which is currently a major scandal in our city, is one of the most extraordinary episodes of mismanagement in the history of New South Wales. Here you have a tunnel built by a private operator, owned by a private operator, for profit. The right to build the tunnel was awarded by the state government in return for a \$100 million up-front payment. It will not surprise you that the state government will do all sorts of things for \$100 million in cash up-front. Part of the deal has been to create congestion in all of the neighbouring areas so as to force travellers to use the tunnel and deny people the right to use the roads they have been using for decades—to force them into that tunnel and to pay the toll. But even worse than that: the tunnel contract imposes severe financial penalties on the state govern-

ment if the traffic on the arterial roads leading towards the tunnel in its catchment area, if you like, drops below specified levels.

What does that do? That provides an enormous financial disincentive for the state government to improve public transport. I am sorry that the member for Kingsford Smith has just left the chamber, because he and I share a bipartisan commitment to having better public transport in the eastern suburbs—in particular, a light rail service out towards the eastern suburbs, with the most obvious and desirable route being along Anzac Parade. Honourable members who are familiar with Sydney will know that there is a right of way, now used by buses for the most part, which was established in the days of the trams. That is the obvious place for the extension of light rail from the very inner city out towards the eastern suburbs. Of course the eastern suburbs of Sydney were built around trams originally. That is how suburbs like Bondi, Maroubra and so on were established.

If the state government were now to build light rail out to that area, it would presumably be for the purpose of reducing vehicle dependence, getting cars off the road and encouraging people to use public transport. But, if the government did that, it would be exposing itself to a serious financial penalty under this contract. This is one of the most perverse episodes of mismanagement that we have seen in Sydney.

But, of course, there is more coming up. As I said to the audience at Sydney Town Hall last night, do not be troubled by the desalination plant, because the crack team that negotiated the Cross City Tunnel contract will no doubt be moving onto the desalination plant. As the member for Kingsford Smith said earlier, desalination is environmentally the worst possible option. It is not a technology which should be ignored—there are some parts of the world where it is the only option—but, as this report discloses, the reality is that creating a cubic metre of fresh water from sea water consumes between four and five times as much energy as creating a cubic metre of fresh water from waste water. As Bob Carr said before he became a proponent of desalination, it is bottled electricity—and at a very high energy cost. That is why Sydney Water's own consultants, in their report on the Sydney Water web site, have said the levelled cost of that water will be \$1.53 a kilolitre, or cubic metre—very expensive water.

Any plant of that kind, to be built and to be financed, has to have a take or pay contract; otherwise, the owners of the plant, the financiers of the plant, are at an enormous risk that, if it rains, there will be no demand for their water. Typically, plants of this kind have a take or pay contract where the take or pay alternative is 60 per cent. So if, as has been mooted, the contract were to provide 180 million litres at, say, \$1.50 a litre, that is \$270 million. The take or pay contract would say: 'If we do not take the 180 million litres of water at \$1.50, we will pay you 60 per cent or 90c per litre.' So the taxpayers of New South Wales, through their wholly owned water utility, Sydney Water, could be up for \$155 million in years when the dams are full and the rains come. So it is an enormous expense. Imagine a five-year period of good rain. We have a very volatile history of rainfall in Australia—it is very hard to project—although all the evidence suggests that we are moving into a period of much lower rainfall. If we build this plant, not only will we be bottling electricity but, even if we are not bottling it, even if the plant is barely ticking over, the taxpayers of New South Wales will be carrying an enormous financial burden.

So, in terms of both transport and water, we have an extraordinary situation in our largest city which will lead to unsustainability. Instead of promoting public transport and reducing

vehicle dependence, the government seems to be hell-bent on speeding up motor cars and slowing down trains. It has entered into contracts that compel it to promote private vehicle usage rather than public transport and which will penalise it if it dares to do what any responsible government would do in this day and age: promote the use of public transport. In a city which is already consuming more water than its sustainable yield, the government decided 10 years ago that it would not build another dam—it ruled out another dam. That was the decision. It decided not to increase the level of the wall at Warragamba Dam. That left only one way of increasing the sustainable yield of Sydney's water supply in a substantial way, and that was by large-scale recycling. There was literally no other alternative. Because of the geography of Sydney, it is not possible to acquire large amounts of water from, say, agriculture in the way it can be done in Melbourne and some other cities.

Recycling has been almost completely ignored. In Sydney, we recycle less than two per cent of our waste water. Sydney Water has gone to court to try to stop a private company from endeavouring to recycle Sydney's waste water. That matter is still awaiting a judgment from the Competition Tribunal. The perversity of the state government in New South Wales, in those two very important areas of water and transport, is remarkable. It is no wonder that people are looking to the federal government to provide leadership in these areas.

The government has done so already with the National Water Initiative, in which \$2 billion has been allocated to the Australian government water fund, one of whose priorities is promoting recycled water in urban areas. Yet have Sydney Water, through the state government, put up their hand and said, 'We would like a hand from the Australian government water fund for recycling in Sydney'? No, there has been not a word—at least, none that we have heard publicly.

We have seen, with AusLink, the commitment of \$1.8 billion to improve the north-south rail link on the east coast. That will double the share of freight that can be carried by rail in that corridor over five years. So there is real leadership from the federal government in transport, reducing motor vehicle dependency in terms of freight and promoting responsible use of water via the National Water Initiative.

This report recommends that the federal government go a step further and set those very clear sustainability benchmarks, using the model of the National Competition Council to draw in all governments, state and local, through COAG to work together to ensure that, as Commonwealth monies are allocated to states and local authorities, they will be used in a way that promotes sustainability instead of undermining it. So instead of pouring billions of dollars more into toll roads and tunnels, we would be using the leadership that the Commonwealth can provide to ask the states, particularly the state of New South Wales, 'What about public transport? What about active transport? Why aren't you doing more to achieve a more sustainable mix of transport?' and to say, 'Unless you do, you will not be getting the funding that you seek.'

That leadership would be consistent with the environmental leadership the federal government has shown through AusLink, through the National Water Initiative and in many other ways. It would ensure, I hope, that the failings of the state government—the sort of lazy complacency that we have seen over a decade in New South Wales—will not be allowed to continue to subvert the environment, the economy and the prospects of the people of Australia's largest state and its fairest city.

Ms OWENS (Parramatta) (12.47 pm)—I rise to speak on the report of the House of Representatives Standing Committee on Environment and Heritage entitled *Sustainable cities*. This is an extremely serious report, put together with great care and attention by members from both sides of the House working together, and a report that takes seriously the health of our cities—cities already overcrowded and increasingly more so—and that deals with congestion, crumbling infrastructure and the places where the vast majority of our populations live and work.

In the House, through our joint committees, we have shown time after time that we can work very well when we put politics aside and deal with an issue in a cooperative manner. This is one of the most serious issues, and it will not be solved through an adversarial approach. Solving the issue of how we make our cities sustainable will require a cooperative approach across three levels of government. This is far too serious for us to play the blame game. I congratulate all of those who contributed to the report, the many individuals and organisations who showed great commitment to making things better in our cities and who made a very real contribution to what is a very valuable report.

The report makes 32 comprehensive recommendations covering: sustainability in cities and their governance; how the policy frameworks would work; planning and settlement patterns—how people are moving in and out and how we deal with that; public transport issues; the lack of water in our cities and the growing water shortage; building design and how we can, at a fundamental level, improve the sustainability of our cities; energy; research; and feedback. All of these recommendations contribute to a comprehensive approach to moving our cities forward to a more sustainable level.

The report begins with a quote from Mr Chris Davis, the CEO of the Australian Water Association. He said:

Sustainability is a journey, not a destination.

That could not be more true. Certainly the situation that we have arrived at has also been via a journey—a journey along which governments at state and federal levels have pitted themselves against each other. It has been a journey along which, in recent years, the federal government has taken a smaller and smaller role in ensuring that our cities move well and healthily into the future.

Nothing could be more important than solving the problems that confront our cities—water shortages, power shortages, dying creeks, crumbling infrastructure, public transport systems that are clearly not up to the task, and a rising population and the resulting strain on our education and health infrastructure. Implementing the recommendations will take a comprehensive approach from all levels of government.

This report is about looking forward. It is not about blaming each other for what has or has not been done, but finding a way to move forward together. Out there in my electorate nobody cares whether it is a state or federal matter. Whether you are talking about health, education or water, people do not know who is responsible—and they do not care. They just want it fixed. We could take a few points out of their books, I think. We just want it fixed too; in this House we should just want it fixed.

People are not interested in the blame game. I tried to tell a constituent once that something was a state matter and I received a very eloquent letter explaining to me that the division be-

tween state and federal governments was my problem, not hers, and that I should not impose it on her. I have taken that well and truly to heart. She is a very wise constituent and it was a very well-written letter. Perhaps I should table it in the parliament just to remind us that while we find those divisions important we actually create them; our constituents do not.

I find that one of the best examples is when I meet various individuals who live along our local creeks and who want to get together to do something. Then I realise that it is not just three levels of government but also several government departments that manage the local creeks. It would be difficult for anybody, even one of the most experienced operators in the public sector, to find their way through the range of organisations that govern even the local creek—and I have 30 of them in my electorate.

The people elected us this way, and I think they know what they are doing. Election after election, the Australian people elect one party at the state level and a different one at the federal level, and they take a bet each way in the Senate. They do that election after election. They like it that way. That is the way they choose this country to be run. They expect us to work together, and that is our job.

Unfortunately, in the recent decade the Commonwealth government has withdrawn from active leadership in ensuring that our cities are sustainable. But past governments have taken a leading role. It is a choice about priorities. Consider the difference. In 1972, for example, the Department of Urban and Regional Development was formed under Tom Uren, with the Commonwealth government actively involving itself in the quality of cities and the quality of life for the people who lived in them. That department was even involved in the issues of sewerage and other essential services. That was an extremely important contribution in the seventies by our Commonwealth government to the health of our cities. Then later, under the Hawke-Keating government, there was the Better Cities Program. Again there was active involvement in the funding of major infrastructure programs, and the funding of the Y link, a major train infrastructure in my electorate of Parramatta. These are both examples of the federal government playing that leadership role in restoring the health of our cities.

All members of this committee recognised that Australia is going backwards against nearly every indicator that measures environmental health. They have come up with a fabulous recommendation, which is to establish an Australian sustainability charter. It is an overview that sets national targets for each of the key indicators which show whether our cities are doing well: environmental health, energy, transport and water. They have recommended the establishment of an independent sustainability commission that would monitor progress in cities and administer payments to states and territories for the work that they do. It would monitor performance across agreed targets.

That is an extraordinary recommendation that rightly puts the federal government, which is responsible for all of Australia, back in a leading role in considering and monitoring the future of our cities. Importantly for my area, it puts the federal government back in a leadership role when it comes to public transport. For people that live in the cities, particularly the outer suburbs of cities, public transport is one of the crunch issues.

For many years of my life I lived in inner city suburbs in Melbourne, Brisbane and Sydney. For years I did not have to look up a train or bus timetable. So it came as quite a shock to me when I moved to the western suburbs of Sydney a few years ago that trains did not run every three minutes and you really do have to look up a timetable because sometimes you have to

wait half a day for a train. I know that in my area there are stations where trains stop twice a day. Sometimes when the train timetable runs behind in my electorate, trains scheduled to stop at Pendle Hill station simply do not; they head on to the next major hub. This means that people travelling home from work have caught a train scheduled to stop at their station and it simply does not, putting them out by up to an hour when they are trying to get home to their families. That is not just an issue of public transport; it is very much about families as well. People make commitments and expect to be able to get home.

There are also major gaps in our transport infrastructure. There is no train line to the northern suburbs at the moment. Although there is a corridor, we still do not have a connection between Parramatta and Chatswood, for example. Major infrastructure projects are needed in my electorate. Given the deterioration of our public transport systems over decades—and it is hard to blame one government when the deterioration has taken place over decades—it is difficult to imagine our state government alone being able to afford the kind of remedial work which is required now in our public transport system.

Nearly 50 years ago, half of the people in Sydney went to work by train. Now less than 10 per cent go by train, but I know that in my area at least 50 per cent would like to. This is a major issue that is not just about people getting to work; it is also about business. Getting from one part of the western suburbs of Sydney to another can be quite fraught. Roads do not go in a straight line; they are quite dog-legged across several pages of the street directory. Getting from one business centre to another is quite difficult. As a result, you find that businesses that grow in one geographic area find it difficult to expand their markets into the neighbouring geographic areas, because people simply cannot travel. So the transport and road problems in our major cities are as much about economic issues as about social and environmental ones.

It was very dry in Western Sydney when I was doorknocking during the election campaign last year—in fact, I had dust up to my knees most days just from walking across people's front yards to get to their doors. I can tell you that water was one of the main issues raised. It seems everybody knows that we have a major water crisis and everybody wants to do something about it. They want to do something about it at their own level—in their homes—and they want something done about it at all levels of government. When you consider that, at the moment, about 11 per cent of Sydney's water is being lost just through leaky pipes, you can see how much work we have to do.

One of the recommendations of the report suggests that the National Water Commission should prepare an independent report on water options for cities and regional centres. That is an excellent recommendation. The report also suggests that there should be a national five-star rating for homes and that the first home buyer's grant should be increased to \$10,000 for homes that meet stringent sustainability criteria. These are recommendations that fit absolutely with the will of the community at the moment. In many ways, the community is ahead of us on this issue. The community is prepared to do things well ahead of us. The number of people putting in tanks or trying to find ways to recycle their grey water is phenomenal. This is a major issue out there and it is about time the government and the opposition caught up with the community.

This is not even a matter of leadership; it is a matter of catch-up. The people out there are ahead of us on this issue. They are also ahead of us, I think, on the notion of community. The

word 'community' is raised an incredible amount in my electorate. People talk about the difficulties in networking, the decline of the local shopping centre, for example, and the fact that it is not as easy anymore to form relationships and passing relationships with the people in their own area. It is amazing how it sits there as an undercurrent, this separation of one person from another. It is not caused just by the increased business; it is caused by the fact that they do not catch public transport, that they jump in their car and they drive. They do not interact at the drycleaners on the way to work. They do not interact with people. They do not pass through crowds on their way to and from work. The local shopping centre, which was once a market and created a fabulous place for people to meet each other, is in decline. Now people go to the big shopping centres where the sense of community is significantly diminished. These issues are talked about on a daily basis in my area.

Again, our constituents, the people we represent, are ahead of us in identifying the disenfranchisement and the loneliness that the breakdown of our community structures, our social structures, in our cities is causing. A lot of the breakdown does not come directly from social activity but from the physical way that our cities are changing and the way those physical changes cause a schism between us, because we do not have the places where we can meet.

One thing that is missing in this report—and I put this in as a low-level criticism because I am incredibly impressed by the report; I think it is a very good job—goes to climate change. Again, the population at large is ahead of us on this. It is raised quite often. There is an extraordinary and surprising understanding out there of the Kyoto protocol and what it means. If you live in Western Sydney, where the temperature is four degrees higher than in the inner city anyway, you know very well what environment and pollution can do to your local area in terms of climate change and what an extraordinary difference those small increases in temperature mean. It does get quite hot out there in the summer.

In conclusion, this is a great report. I sincerely hope that the government takes up its recommendations. It recommends serious involvement at the federal level in leadership and making sure that our cities continue to be great places to live or, in some cases, that they even revert to being great places to live, because in some areas the damage is really quite substantial. *(Time expired)*

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

Main Committee adjourned at 1.03 pm

QUESTIONS IN WRITING**Commonwealth Funded Programs****(Question No. 723)**

Ms Livermore asked the Minister for Transport and Regional Services, in writing, on 8 March 2005:

- (1) Does the Minister's Department administer any Commonwealth funded programs for which community organisations, businesses or individuals in the electoral division of Capricornia can apply for funding: if so, what are they.
- (2) Does the Minister's department advertise these funding opportunities: if so, (a) what print or other media outlets have been used for the advertising of each of these programs and (b) were these paid advertisements.
- (3) With respect to each of the Commonwealth funded programs referred to in part (1), (a) what is its purpose and (b) who is responsible for allocating funds.
- (4) With respect to each of the Commonwealth funded programs referred to in part (1), how many (a) community organisations, (b) businesses, and (c) individuals in the electoral division of Capricornia received funding in 2001 and 2002.
- (5) What sum of Commonwealth funding did each recipient receive in 2001 and 2002.
- (6) What is the name and address of each recipient.

Mr Truss—The answer to the honourable member's question is as follows:

- (1) Yes, the Regional Partnerships program is available to all communities in regional Australia, including the electoral division of Capricornia.
- (2) The Area Consultative Committees (ACCs) are responsible for promotion of the Regional Partnerships program and are allocated operational funding to fulfil this responsibility. The Australian Government Regional Information Directory and the Grantslink web site also provide information on applying for Regional Partnerships' funding.
- (3) (a) Regional Partnerships' purpose is outlined in the Regional Partnerships guidelines:
The Australian Government's approach to regional development is to work in partnership with communities, government and the private sector to foster the development of self-reliant communities and regions. This approach is consistent with the Commonwealth's framework for developing Australia's regions: Stronger Regions, A Stronger Australia. Regional Partnerships is a program that delivers on the Australian Government's approach to regional development
- (b) There is no specific allocation of funding based on geographical regions under the Regional Partnerships program. Funding of projects is determined in response to assessment of the eligibility of applications received, against the program guidelines. Based on this advice and the recommendations made by ACCs, the Minister decides whether to fund or not fund the project; and whether any conditions should be applied to the funding.
- (4) to (6) None. The program listed in part 1 was not in operation in 2001 and 2002.

Opinion Polls
(Question No. 1068)

Mr Bowen asked the Minister for Transport and Regional Services, in writing, on 10 May 2005:

- (1) Did the department or any agency under the Minister's portfolio conduct or commission an opinion poll, focus group or market research in 2004; if so, what was the (a) purpose and (b) cost of each opinion poll, focus group or market research survey conducted.
- (2) What was the name and postal address of each company engaged to conduct the poll, focus group or research.

Mr Truss—The answer to the honourable member's question is as follows:

- (1) Yes. (a) and (b) Please refer to table below.
- (2) Please refer to table below.

Department of Transport and Regional Services

Name	Postal address	Purpose	Cost (GST incl)
Quantum Market Research	96 Bridport St, Albert Park, Victoria 3206	To conduct an evaluation of the Commonwealth Regional Information Service and its delivery elements.	\$89,540
The Social Research Centre Pty Ltd	37 Strelton Avenue, Strathmore, Victoria 3041	To conduct a survey to monitor changes in community attitudes and perceptions on a wide range of road safety issues.	\$81,811
Socom Pty Ltd	Level 2, 19-21 Argyle Place, South Carlton, Victoria 3053	To conduct focus groups to test the 'Leading Practice Model for Development Assessment' – a model that provides a blueprint for jurisdictions for a simpler, more effective approach to development assessment.	The Australian Government's contribution to the cost of the project was \$80,000.
Eureka Strategic Research	PO Box 767, Newtown, NSW 2042	To undertake research on Australian Government communications with local government.	\$62,601
Colmar Brunton Social Research	PO Box 2212, Canberra, ACT 2601	To undertake qualitative and quantitative research to assist in the development of a communications strategy for the Green Vehicle Guide.	\$66,676
Quantum Market Research	96 Bridport St, Albert Park, Victoria 3206	To undertake developmental research to help guide decisions on the future of the Australian Government Regional Information Service (AGRIS).	\$57,200
Solutions Marketing and Research Pty Ltd	PO Box 453, Neutral Bay, NSW 2089.	To undertake independent research on Area Consultative Committees (ACCs) to determine the level of understanding of the ACC name and role.	\$27,500
Quantum Market Research	96 Bridport St, Albert Park, Victoria 3206	To conduct focus group testing of advertising concepts for the Commonwealth Regional Information Service campaign.	\$20,900
Centre for Tourism Research	Centre for Tourism Research, University of Canberra, ACT 2601	To undertake qualitative research into perceptions of the National Capital following the Australian of the Year Awards and Celebrate! Australia Day Live concert.	\$19,834
Centre for Tourism Research	Centre for Tourism Research, University of Canberra, ACT 2601	To develop a questionnaire for the National Capital Exhibition to monitor visitor demographics and feedback.	\$4,268

Name	Postal address	Purpose	Cost (GST incl)
CRM Australia	Unit 16, 177-199 Pacific Highway, North Sydney 2059	Telemarketing campaign to obtain sales leads for fire emergency response training and fire safety consulting services.	\$3,010
Press Ganey Associates	PO Box 5983, Gold Coast Mail Centre, QLD 9726	To undertake a survey of Christmas Island Hospital inpatients to ascertain patient satisfaction.	\$2,500
National Airspace System Implementation Group	NASIG, c/-DOTARS, PO Box 594, Canberra, ACT 2601	Survey of radio carriage in ultralight aircraft.	\$896

Airservices Australia

Name	Postal address	Purpose	Cost (GST incl)
Eureka Strategic Research	PO Box 767, Newtown, NSW 2042	External customer satisfaction research for AirServices Australia.	\$66,599
New Focus	Suite 3, Level 1, 99 Elizabeth Street, Sydney, NSW 2000	International brand perceptions study for AirServices Australia.	\$48,968
New Focus	Suite 3, Level 1, 99 Elizabeth Street, Sydney, NSW 2000	Annual stakeholder survey for AirServices Australia.	\$29,634

Opinion Polls

(Question No. 1081)

Mr Bowen asked the Minister for Employment and Workplace Relations, in writing, on 10 May 2005:

- (1) Did the department or any agency under the Minister's portfolio conduct or commission an opinion poll, focus group or market research in 2004; if so, what was the (a) purpose and (b) cost of each opinion poll, focus group or market research survey conducted.
- (2) What was the name and postal address of each company engaged to conduct the poll, focus group or research.

Mr Andrews—The answer to the honourable member's question is as follows:

The Department and portfolio agencies conducted or commissioned opinion polls, focus groups or market research in 2004 as follows:

PROJECT	PURPOSE	COST	COMPANY/ADDRESS
To conduct a Review of the Mature Age Employment and Workplace Strategy (MAEWS)	The objective of the MAEWS is to improve labour force participation of mature age Australians. The Review covers the following MAEWS elements: Jobwise Labour Market Update Seminars; Jobwise Workshops; Jobwise Self Help Groups; and Business Learning Networks.	\$119,892 (GST inclusive)	ORIMA Research Pty Ltd, 704/400 St Kilda Road, Melbourne, Victoria 3004.

PROJECT	PURPOSE	COST	COMPANY/ADDRESS
A telephone poll was conducted by the Employee Entitlements Branch, Workplace Relations Services Group of the department.	The poll was to determine the level of stakeholder satisfaction with management of the Employee Entitlements Schemes.	The telephone poll was designed, conducted and evaluated by officers of the department. Accordingly, all administrative and salary costs were absorbed by the department as part of its output costs are not separately identified.	Not applicable
Employee share ownership research project.	To gain a better understanding of employee share ownership (ESO), in order to contribute to the development of policy and communication activities, and to increase the effective use of ESO as a workplace relations strategy.	\$164 252 (GST inclusive)	TNS Social Research, PO Box 3343, Manuka, ACT 2603
Focus groups role conducted as part of the Indigenous Servicing by Job Network - Best Practice Study.	The purpose of the focus groups was to gain an understanding of Indigenous job seeker perspectives on the quality and effectiveness of the Job Network services they received in assisting in improving their chances of finding and keeping employment. The purpose of the in-depth interviews was to gain a broader picture of issues surrounding Indigenous servicing by Job Network and to explore the level of interaction between Job Network and community organisations (including IECs and CDEPs) and strategies for improving cooperation between stakeholders.	\$50,000 (GST inclusive)	TNS Social Research, PO Box 3343, Manuka, ACT 2603
A qualitative study	Conducted to examine job seekers' perceptions and awareness of the operational aspects of a range of electronic job search tools. The focus groups examined the usability of Kiosks and the JobSearch web site, and the effectiveness of Notifications services, the Vocational Profile and Personal Page.	\$13,664 (GST exclusive)	The study was conducted by Employment Exchange Branch, Job Search Support Group, DEWR
Evaluation of Equal Opportunity for Women in the Workplace (EOWA) 2003 Service Delivery.	To evaluate clients' perceptions of EOWA's 2003 service delivery to quantify for Government the outcomes of EOWA's new service delivery model that has been implemented as a result of the Unfinished Business Review.	\$25,764.30 (GST inclusive)	Graeme Russell of (formerly) Work and Life Strategies. Aequus Partners Sydney Office 3, 332 Darling Street Balmain, NSW 2041
Survey	One customer satisfaction survey was conducted in 2004.	\$22,460.90 (GST inclusive)	OrimaLevel, 365-67 Constitution Avenue, Campbell, ACT 2612

Recruitment Agencies

(Question No. 1105)

Mr Bowen asked the Treasurer, in writing, on 10 May 2005:

- (1) What sum was spent on recruitment agencies in (a) 2001, (b) 2002, (c) 2003, and (d) 2004 by each department and agency in the Minister's portfolio.

- (2) Will the Minister provide a list of the recruitment agencies which are used by the department and agencies in the Minister's portfolio.

Mr Costello—The answer to the honourable member's question is as follows:

Australian Bureau of Statistics

- (1) 2001, \$86,675
2002, \$143,110
2003, \$255,063
2004, \$243,239
- (2) Adecco
Aquarius Communications
Drake
Employment National
Forstaff Ozjobs
The Green and Green Group
Hays Personnel Services
Julia Ross Recruitment
Kelly Services
Key People Personnel
MASTECH Asia Pacific
National GC Recruitment
Now Recruitment
Recruitment Management Company
Maximus Solutions/Rod Goodall and Associates
Salvation Army Employment Plus
Select Australasia
Skilled (Quest)
Stenhouse Recruitment Services
The Personnel Department
TMP Worldwide
Westaff
Windsor Recruitment
Wizard Personnel & Office Services
Zenith

Australian Competition & Consumer Commission

- (1) The amounts spent on recruitment agencies by the ACCC were as follows:
- (a) 2001, \$555,340.00
(b) 2002, \$168,172.05
(c) 2003, \$76,773.09
(d) 2004, \$140,030.36

(2) The recruitment agencies used by the ACCC are as follows:

Adecco
Alectus
Allstaff
Asset Temporary
Brook Street Recruiting
Corporate Outsourcing
Drake
Effective People
Frontier Group
Gillian Beaumon
Hamilton James
Harvey Recruitment
Hays
Jane Devereux
Julia Ross Recruitment
Kelly Services
Link Recruitment
Manpower
Manpower Services
Maxima Recruitment
Morgan & Banks
PKL Personnel
Prestige
Recruiters Australia
Select Australia
Small & Associates
SOS
Spherion
Spherion Recruitment
Staffing Office
Staffing Office Solutions
Temps & Co Recruitment
The Insight Group
The One Umbrella
TMP Worldwide eResources
Universal Services
Westaff
Wizard Personnel

Australian Office of Financial Management

- (1)
 - (a) 2001, \$20,514.72
 - (b) 2002, \$90,234.45
 - (c) 2003, \$67,359.98
 - (d) 2004, \$20,019.73
- (2) The Australian Office of Financial Management has employed the following recruitment agencies:
Allstaff Australia;
Careers Unlimited;
Hays Accountancy Personnel;
Michael Page International;
Recruitment Management Company;
Select Australasia;
TMP. Worldwide; and
Westaff.

Australian Prudential Regulation Authority

- (1)
 - (a) 2001, \$12,962
 - (b) 2002, \$41,990
 - (c) 2003, \$155,101
 - (d) 2004, \$313,663
- (2) Recruitment agencies used over the past five years and with whom in excess of \$20,000 was spent:
 - Hudson Global Resource
 - Michael Page International
 - Interpro Australia Pty
 - Freeman Adams Pty Ltd
 - Russel Reynolds Assoc
 - The Whitney Group
 - Credence International
 - Apsley Recruitment Pty
 - KPMG
 - Paxus IT Recruitment
 - IT People – A Division
 - Carmichael Fisher (NSW)
 - Spencer Stuart
 - M and T Resources

Australian Securities and Investments Commission

- (1)
 - (a) 2001, \$1,359,751.92
 - (b) 2002, \$2,052,697.26
 - (c) 2003, \$1,184,660.83
 - (d) 2004, \$1,831,647.05

-
- (2) Alectus Personnel Pty Ltd
Able Employment Group Pty Ltd
Adcorp Australia
Adecco Australia Pty Ltd
Alltech Jr Solution Pty Ltd
American Express Australia Limited
Apsley Recruitment Pty Ltd
Archer Consulting Group Pty Ltd
Barber & Bunton Pty Ltd
Brian Banks CPA
Butler-White Hospitality Services P/L
Career People Pty Ltd
Carole Thomas & Associates Pty Ltd
Caroline Mooi Pty Ltd
Catalyst Recruitment Systems Ltd
Cherry Solutions
Choiceone
CHR Group Ltd
Cordon Bleu Consultants Aust P/L
Corporate Network Solutions
Definitive It Resources Pty Ltd
DFP Recruitment Services
Diskcovery
Drake
Dunhill Management Services
Dunn Transcripts (Australia)
Effective People Pty Ltd
Employment National
Exec.Search Pty Ltd
Freeman Adams Recruitment Consultants
Futures The Career Consultants
Genesis IT Search Pty Ltd
Gippsland Business Support Pty Ltd
Gippsland Group Training Ltd
Glenmarsh Pty Ltd
Greythorn Pty Limited
Hamilton James & Bruce
Hays Personnel Services (Aust) Pty Ltd
Highland Partners (Aust) Pty Ltd
-

Horton International Pty Ltd
Hudson Global Resources
Hughes-Castell Pty Ltd
Humanagement
Huntley Recruitment
Ian Smillie
Information Enterprises Aust Pty Ltd
J.B. Strickland
Jane Austin
Jane Devereux Pty Ltd
Jo Fisher Executive Pty Ltd
Jobwire.Com.Au
Jonathan Wren Australia Pty Ltd
Julia Ross Recruitment Pty Ltd
Kelly Services
Kelsall Consulting Pty Ltd (Sk59)
Kent Douglas & Associates
Kinsman Reynolds Consulting Pty Ltd
KR Consulting Group Pty Ltd
Language Professionals
Latrobe Valley Express
Law Solutions
Learned Friends Pty Ltd
Legalease Placements Pty Limited
Link Recruitment
Lois Wood Recruitment
Mahlab Recruitment (Vic) Pty Ltd
Management Recruiters Australia
Media Matters International
Mercer Human Resource Consulting Pty Ltd
Michael Page International (Aust) Pty Ltd
MJL People Dynamics Pty Ltd
Monash University
Morgan & Banks Limited
Network Recruitment Services
Options Consulting Pty Ltd
Oz Jobs
Paynow For Business Pty Ltd
Pegasus IT Consulting Pty Ltd

People In Computers
 Peter Ryan & Associates Pty Ltd
 Pinnacle Hospitality People
 PKL Personnel
 Priority Appointments
 Psychronicity
 Recruit Solutions - Traralgon
 Recruitment Solutions Limited
 Resource Options
 Robert Walters
 Robyn Cartwright Personnel Pty Ltd
 Scotlin Contracting
 Securities Institute
 Select Australasia Pty Ltd
 Shearn Legal Recruitment
 Sinclair Consulting Group Pty Ltd
 Smalls Recruiting
 SMS Management & Technology
 Softwork People
 Sols Outsource Legal Services
 Spherion Outsourcing Solution Pty Ltd
 Spherion Recruitment Solutions Pty Ltd
 Staff & Executive Resources
 Talent2 Pty Ltd
 The I Group
 The Insight Group
 The Navigator Company Pty Ltd
 The Next Step Recruitment
 The One Umbrella
 The Personnel Department
 Townsville Personnel
 University Of New South Wales
 University Of Technology Victoria
 Wizard Personnel & Office Services
 Zenith Managment Services Group

Australian Taxation Office

- (1) It is not possible, without the diversion of significant resources, to provide the information requested for recruitment agencies.
- (2) Adecco Services Pty Ltd

Allstaff Australia Pty Ltd
APS Commission
Bev Sweeney & Associates
Carmody Crichton Consulting
Drake Australia Pty Ltd
Effective People (Victoria) Pty Ltd
Effective People Pty Ltd
Egon Zehnder International Pty Ltd
Green and Green Group Pty Ltd
Greg Ryan and Associates
Hays Personnel Services
Hoban Recruitment
Hudson Global Resources (Aust) P/L
Julia Ross Recruitment Ltd
Manpower Services Aust P/L
MBS Consulting P/L
Michael Page International (Australia) Pty Ltd
Quadrate Solutions
Ray Anders
Recruitment Management Company
Rod Goodall & Associates
Ross Human Directions Limited
Select Australasia Pty Ltd
Spencer Stuart Australia
Spherion Group Limited
Spherion Recruitment Solutions
The Green and Green Group Pty Ltd
The One Umbrella
Watermark Search International
Westaff (Australia) Pty Ltd
Wizard Personnel & Office Services
Zenith Management Services Group Pty Ltd

Corporations and Markets Advisory Committee

(1) and (2) Nil

Inspector-General of Taxation

(1) (a) NA, (b) NA, (c) NA, (d) \$57,470

(2) Blackadder Recruitment Company P/L – for provision of temporary secretarial support.

National Competition Council

(1) and (2) Nil

Productivity Commission

- (1) and (2) Nil

Treasury

- (1) (a) 2001 - \$1,287,660
 (b) 2002 - \$941,160
 (c) 2003 - \$714,200
 (d) 2004 - \$516,680
- (2) Spherion Group Ltd, Adecco Aust
 Green and Green Group, PCA Pty Ltd
 Wizard Personnel, Julia Ross
 Interim HR Solutions, Effective People
 Westaff, Staffing and Office Solutions
 Hays Personnel, Informed Sources Pty Ltd
 Careers Unlimited, Kowalski
 Kelly Services, All Staff Aust
 Recruitment Management Company, Select Write
 Recruitplus ACT, Informed Sources Pty Ltd
 Igate Australia, Mastech Asia Pacific
 Professional Careers Australia

Commonwealth Property

(Question No. 1995)

Mr Bowen asked the Treasurer, in writing, on 10 August 2005:

- (1) What is the name and address of each vacant property under the control of the department and each agency in the Minister's portfolio (ie properties not actively used by the agency and not leased out).
 (2) In respect of each vacant property, (a) why is it not being actively used and (b) what action plans are in place to have it actively used.

Mr Costello—The answer to the honourable member's question is as follows:

Australian Bureau of Statistics

- (1) and (2) Nil

Australian Competition and Consumer Commission

- (1) and (2) Nil

Australian Office of Financial Management

- (1) and (2) Nil

Australian Prudential Regulation Authority

- (1) Part of the ground floor of:
 243-251 Northbourne Ave
 Lyneham Canberra ACT 2602
- (2) (a) The space is surplus to requirements.
 (b) It is being promoted for sub-lease.

Australian Securities and Investments Commission

(1) and (2) Nil

Australian Taxation Office

(1) and (2) Nil

Corporations and Markets Advisory Committee

(1) and (2) Nil

Inspector-General of Taxation

(1) and (2) Nil

National Competition Council

(1) and (2) Nil

Productivity Commission

(1) and (2) Nil

Treasury

(1) and (2) Nil

Commonwealth Property**(Question No. 1998)**

Mr Bowen asked the Minister for Transport and Regional Services, in writing, on 10 August 2005:

- (1) What is the name and address of each vacant property under the control of the department and each agency in the Minister's portfolio (ie properties not actively used by the agency and not leased out).
- (2) In respect of each vacant property, (a) why is it not being actively used and (b) what action plans are in place to have it actively used.

Mr Truss—The answer to the honourable member's question is as follows:

- (1) The National Capital Authority has the following vacant property under its control:

The caretakers cottage at Commonwealth Park (Block 5 Section 2 Parkes).

The Civil Aviation Safety Authority has the following vacant property under its control:

Part Levels 1 and 2, 527 Gregory Terrace, Bowen Hills, Qld.

Airservices Australia has a number of vacant properties under its control. Details are provided in the table in part (2) below.

- (2) **National Capital Authority:**

- (a) The property is currently being used for storage and for meetings by staff.
- (b) The property will shortly be used by maintenance crews as office accommodation.

Civil Aviation Safety Authority:

- (a) and (b) These tenancies were vacated in February 2003 when the office was relocated to larger premises due to expansion. The lessor at the new office has since reimbursed CASA for all costs at the vacated premises as part of the new leasing deal. The leases expired on 31 August 2005.

Airservices Australia:

(1) Property	(1) Address	(2) (a)	(2) (b)
Conjewai VHF Facility	Watagan State Forest CONJEWAI, NSW	Technology gains renders facility surplus to operational requirements.	Investigating options for return of site to State Forest, and/or alternative user.
Tennant Creek Vacant Land	Approx. 1km outside Tennant Creek Airport, NT	Technology gains renders facility surplus to operational requirements.	Investigating sale options.
Elliott Vacant Land	Via Stuart Highway ELLIOT, NT	Technology gains renders facility surplus to operational requirements.	Consideration being given to disposal.
Tindal Vacant Land	Stuart Highway KATHERINE, NT	Technology gains renders facility surplus to operational requirements.	Consideration being given to disposal.
Roper Bar Ex-Navigational Aid - Vacant Land	Approx. 25 km west of ROPER BAR, NT	Technology gains renders facility surplus to operational requirements.	Consideration being given to disposal.
Albury Airport – Office	Borella Road, ALBURY AIRPORT, NSW	Office owned by Airservices and surplus to operational requirements. Office is on leased airport land.	Investigating lease or sale of office to airport related business.
Dubbo - Ex Navigational Aid – Vacant Land	Mitchell Highway DUBBO, NSW	Technology gains renders facility surplus to operational requirements.	Investigating lease or sale to airport related business.
Wagga Wagga Airport - Control Tower	Wagga Wagga Airport, NSW	Facility surplus to operational requirements.	Investigating sale or alternative use options
Leigh Creek Vacant Land	10 km from new LEIGH CREEK Airport, NT	Technology gains renders facility surplus to operational requirements.	Consideration being given to disposal.
Melbourne Airport - Office (B48)	Tullamarine Freeway MELB, VIC	Technology gains renders facility surplus to operational requirements.	Investigating lease of premises and/or sale.
Melbourne Airport – Ex-Transmitter facility.	Tullamarine Freeway MELB, VIC	Technology gains renders facility surplus to operational requirements.	Investigating sale or lease options
Caiguna Powerhouse – Vacant Land	Eyre Highway CAIGUNA, WA	Technology gains renders facility surplus to operational requirements.	Investigating telecommunication Site Share options.
Mount Granite VHF facility.	Tumbarumba, NSW	Asset being retained for possible future use as Navigation Aid.	Investigating telecommunication Site Share options.
Kalgoorlie Ex – Navigational Aid facility.	Outside Airport southern boundary, KALGOORLIE, WA.	Technology gains renders facility surplus to operational requirements.	Investigating sale option

Commonwealth Property**(Question No. 2382)**

Mr Bowen asked the Minister for Transport and Regional Services, in writing, on 15 September 2005:

- (1) What properties, or lettable floor areas at partially occupied properties, owned by the Commonwealth and in the possession of the department and each agency in the Minister's portfolio, are currently not utilised by the department or agency in question, and are not let out.
- (2) For how long has each property, or part of a property, identified in part (1) been vacant and why has it been left vacant.

Mr Truss—The answer to the honourable member's question is as follows:

This question has been adequately responded to by my response to House of Representatives question in writing number 1998.