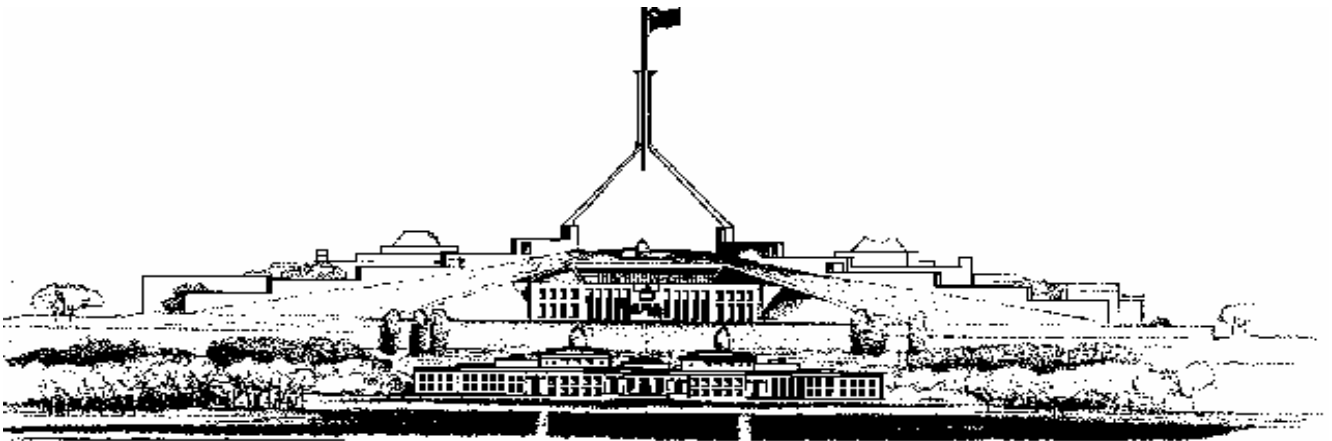




COMMONWEALTH OF AUSTRALIA

**PARLIAMENTARY DEBATES**



# House of Representatives

## Official Hansard

No. 11, 2006

Thursday, 17 August 2006

FORTY-FIRST PARLIAMENT  
FIRST SESSION—SEVENTH PERIOD

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES



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### SITTING DAYS—2006

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

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

**Governor-General**

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

**House of Representatives Officeholders**

*Speaker*—The Hon. David Peter Maxwell Hawker MP

*Deputy Speaker*—The Hon. Ian Raymond Causley MP

*Second Deputy Speaker*—Mr Henry Alfred Jenkins MP

*Members of the Speaker's Panel*—The Hon. Dick Godfrey Harry Adams, Mr Phillip Anthony Barresi, the Hon. Bronwyn Kathleen Bishop, Mr Barry Wayne Haase, Mr Michael John Hatton, the Hon. Duncan James Colquhoun Kerr SC, Mr Peter John Lindsay, Mr Robert Francis McMullan, Mr Harry Vernon Quick, the Hon. Bruce Craig Scott, the Hon. Alexander Michael Somlyay, Mr Kim William Wilkie

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

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

*Manager of Opposition Business*—Ms Julia Eileen Gillard MP

*Deputy Manager of Opposition Business*—Mr Anthony Norman Albanese MP

**Party Leaders and Whips**

Liberal Party of Australia

*Leader*—The Hon. John Winston Howard MP

*Deputy Leader*—The Hon. Peter Howard Costello MP

*Chief Government Whip*—Mr Kerry Joseph Bartlett MP

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

The Nationals

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

*Deputy Leader*—The Hon. Warren Errol Truss MP

*Chief Whip*—Mr John Alexander Forrest MP

*Whip*—Mr Paul Christopher Neville MP

Australian Labor Party

*Leader*—The Hon. Kim Christian Beazley MP

*Deputy Leader*—Ms Jennifer Louise Macklin MP

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

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

Printed by authority of the House of Representatives

### Members of the House of Representatives

Member	Division	Party
Abbott, Hon. Anthony John	Warringah, NSW	LP
Adams, Hon. Dick Godfrey Harry	Lyons, Tas	ALP
Albanese, Anthony Norman	Grayndler, NSW	ALP
Anderson, Hon. John Duncan	Gwydir, NSW	Nats
Andren, Peter James	Calare, NSW	Ind
Andrews, Hon. Kevin James	Menzies, Vic	LP
Bailey, Hon. Frances Esther	McEwen, Vic	LP
Baird, Hon. Bruce George	Cook, NSW	LP
Baker, Mark Horden	Braddon, Tas	LP
Baldwin, Hon. Robert Charles	Paterson, NSW	LP
Barresi, Phillip Anthony	Deakin, Vic	LP
Bartlett, Kerry Joseph	Macquarie, NSW	LP
Beazley, Hon. Kim Christian	Brand, WA	ALP
Bevis, Hon. Archibald Ronald	Brisbane, Qld	ALP
Billson, Hon. Bruce Fredrick	Dunkley, Vic	LP
Bird, Sharon	Cunningham, NSW	ALP
Bishop, Hon. Bronwyn Kathleen	Mackellar, NSW	LP
Bishop, Hon. Julie Isabel	Curtin, WA	LP
Bowen, Christopher Eyles	Prospect, NSW	ALP
Broadbent, Russell Evan	McMillan, Vic	LP
Brough, Hon. Malcolm Thomas	Longman, Qld	LP
Burke, Anna Elizabeth	Chisholm, Vic	ALP
Burke, Anthony Stephen	Watson, NSW	ALP
Byrne, Anthony Michael	Holt, Vic	ALP
Cadman, Hon. Alan Glyndwr	Mitchell, NSW	LP
Causley, Hon. Ian Raymond	Page, NSW	Nats
Ciobo, Steven Michele	Moncrieff, Qld	LP
Cobb, Hon. John Kenneth	Parkes, NSW	Nats
Corcoran, Ann Kathleen	Isaacs, Vic	ALP
Costello, Hon. Peter Howard	Higgins, Vic	LP
Crean, Hon. Simon Findlay	Hotham, Vic	ALP
Danby, Michael	Melbourne Ports, Vic	ALP
Downer, Hon. Alexander John Gosse	Mayo, SA	LP
Draper, Patricia	Makin, SA	LP
Dutton, Hon. Peter Craig	Dickson, Qld	LP
Edwards, Hon. Graham John	Cowan, WA	ALP
Elliot, Maria Justine	Richmond, NSW	ALP
Ellis, Annette Louise	Canberra, ACT	ALP
Ellis, Katherine Margaret	Adelaide, SA	ALP
Elson, Kay Selma	Forde, Qld	LP
Emerson, Craig Anthony	Rankin, Qld	ALP
Entsch, Hon. Warren George	Leichhardt, NSW	LP
Farmer, Hon. Patrick Francis	Macarthur, NSW	LP
Fawcett, David Julian	Wakefield, SA	LP
Ferguson, Laurence Donald Thomas	Reid, NSW	ALP
Ferguson, Martin John, AM	Batman, Vic	ALP
Ferguson, Michael Darrel	Bass, Tas	LP

### Members of the House of Representatives

Member	Division	Party
Fitzgibbon, Joel Andrew	Hunter, NSW	ALP
Forrest, John Alexander	Mallee, Vic	Nats
Gambaro, Hon. Teresa	Petrie, Qld	LP
Garrett, Peter Robert, AM	Kingsford Smith, NSW	ALP
Gash, Joanna	Gilmore, NSW	LP
Georganas, Steven	Hindmarsh, SA	ALP
George, Jennie	Throsby, NSW	ALP
Georgiou, Petro	Kooyong, Vic	LP
Gibbons, Stephen William	Bendigo, Vic	ALP
Gillard, Julia Eileen	Lalor, Vic	ALP
Grierson, Sharon Joy	Newcastle, NSW	ALP
Griffin, Alan Peter	Bruce, Vic	ALP
Haase, Barry Wayne	Kalgoorlie, WA	LP
Hall, Jill Griffiths	Shortland, NSW	ALP
Hardgrave, Hon. Gary Douglas	Moreton, Qld	LP
Hartsuyker, Luke	Cowper, NSW	Nats
Hatton, Michael John	Blaxland, NSW	ALP
Hawker, Hon. David Peter Maxwell	Wannon, Vic	LP
Hayes, Christopher Patrick	Werriwa, NSW	ALP
Henry, Stuart	Hasluck, WA	LP
Hoare, Kelly Joy	Charlton, NSW	ALP
Hockey, Hon. Joseph Benedict	North Sydney, NSW	LP
Howard, Hon. John Winston	Bennelong, NSW	LP
Hull, Kay Elizabeth	Riverina, NSW	Nats
Hunt, Hon. Gregory Andrew	Flinders, Vic	LP
Irwin, Julia Claire	Fowler, NSW	ALP
Jenkins, Henry Alfred	Scullin, Vic	ALP
Jensen, Dennis Geoffrey	Tangney, WA	LP
Johnson, Michael Andrew	Ryan, Qld	LP
Jull, Hon. David Francis	Fadden, Qld	LP
Katter, Hon. Robert Carl	Kennedy, Qld	Ind
Keenan, Michael Fayat	Stirling, WA	LP
Kelly, Hon. De-Anne Margaret	Dawson, Qld	Nats
Kelly, Hon. Jacqueline Marie	Lindsay, NSW	LP
Kerr, Hon. Duncan James Colquhoun, SC	Denison, Tas	ALP
King, Catherine Fiona	Ballarat, Vic	ALP
Laming, Andrew Charles	Bowman, Qld	LP
Lawrence, Hon. Carmen Mary	Fremantle, WA	ALP
Ley, Hon. Sussan Penelope	Farrer, NSW	LP
Lindsay, Peter John	Herbert, Qld	LP
Livermore, Kirsten Fiona	Capricornia, Qld	ALP
Lloyd, Hon. James Eric	Robertson, NSW	LP
Macfarlane, Hon. Ian Elgin	Groom, Qld	LP
Macklin, Jennifer Louise	Jagajaga, Vic	ALP
Markus, Louise Elizabeth	Greenway, NSW	LP
May, Margaret Ann	McPherson, Qld	LP
McArthur, Fergus Stewart	Corangamite, Vic	LP
McClelland, Robert Bruce	Barton, NSW	ALP

### Members of the House of Representatives

Member	Division	Party
McGauran, Hon. Peter John	Gippsland, Vic	Nats
McMullan, Robert Francis	Fraser, ACT	ALP
Melham, Daryl	Banks, NSW	ALP
Mirabella, Sophie	Indi, Vic	LP
Moylan, Hon. Judith Eleanor	Pearce, WA	LP
Murphy, John Paul	Lowe, NSW	ALP
Nairn, Hon. Gary Roy	Eden-Monaro, NSW	LP
Nelson, Hon. Brendan John	Bradfield, NSW	LP
Neville, Paul Christopher	Hinkler, Qld	Nats
O'Connor, Brendan Patrick John	Gorton, Vic	ALP
O'Connor, Gavan Michael	Corio, Vic	ALP
Owens, Julie Ann	Parramatta, NSW	ALP
Pearce, Hon. Christopher John	Aston, Vic	LP
Plibersek, Tanya Joan	Sydney, NSW	ALP
Price, Hon. Leo Roger Spurway	Chifley, NSW	ALP
Prosser, Hon. Geoffrey Daniel	Forrest, WA	LP
Pyne, Hon. Christopher Maurice	Sturt, SA	LP
Quick, Harry Vernon	Franklin, Tas	ALP
Randall, Don James	Canning, WA	LP
Richardson, Kym	Kingston, SA	LP
Ripoll, Bernard Fernando	Oxley, Qld	ALP
Robb, Hon. Andrew John, AO	Goldstein, Vic	LP
Roxon, Nicola Louise	Gellibrand, Vic	ALP
Rudd, Kevin Michael	Griffith, Qld	ALP
Ruddock, Hon. Philip Maxwell	Berowra, NSW	LP
Sawford, Rodney Weston	Port Adelaide, SA	ALP
Schultz, Albert John	Hume, NSW	LP
Scott, Hon. Bruce Craig	Maranoa, Qld	Nats
Secker, Patrick Damien	Barker, SA	LP
Sercombe, Robert Charles Grant	Maribyrnong, Vic	ALP
Slipper, Hon. Peter Neil	Fisher, Qld	LP
Smith, Anthony David Hawthorn	Casey, Vic	LP
Smith, Stephen Francis	Perth, WA	ALP
Snowdon, Hon. Warren Edward	Lingiari, NT	ALP
Somlyay, Hon. Alexander Michael	Fairfax, Qld	LP
Southcott, Andrew John	Boothby, SA	LP
Stone, Hon. Sharman Nancy	Murray, Vic	LP
Swan, Wayne Maxwell	Lilley, Qld	ALP
Tanner, Lindsay James	Melbourne, Vic	ALP
Thompson, Cameron Paul	Blair, Qld	LP
Thomson, Kelvin John	Wills, Vic	ALP
Ticehurst, Kenneth Vincent	Dobell, NSW	LP
Tollner, David William	Solomon, NT	CLP
Truss, Hon. Warren Errol	Wide Bay, Qld	Nats
Tuckey, Hon. Charles Wilson	O'Connor, WA	LP
Turnbull, Hon. Malcolm Bligh	Wentworth, NSW	LP
Vaile, Hon. Mark Anthony James	Lyne, NSW	Nats
Vale, Hon. Danna Sue	Hughes, NSW	LP



### Members of the House of Representatives

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

#### PARTY ABBREVIATIONS

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

#### Heads of Parliamentary Departments

Clerk of the Senate—H Evans

Clerk of the House of Representatives—I C Harris

Secretary, Department of Parliamentary Services—H R Penfold QC

## HOWARD MINISTRY

Prime Minister	The Hon. John Winston Howard MP
Minister for Trade and Deputy Prime Minister	The Hon. Mark Anthony James Vaile MP
Treasurer	The Hon. Peter Howard Costello MP
Minister for Transport and Regional Services	The Hon. Warren Errol Truss MP
Minister for Defence	The Hon. Dr Brendan John Nelson MP
Minister for Foreign Affairs	The Hon. Alexander John Gosse Downer MP
Minister for Health and Ageing and Leader of the House	The Hon. Anthony John Abbott MP
Attorney-General	The Hon. Philip Maxwell Ruddock MP
Minister for Finance and Administration, Leader of the Government in the Senate and Vice-President of the Executive Council	Senator the Hon. Nicholas Hugh Minchin
Minister for Agriculture, Fisheries and Forestry and Deputy Leader of the House	The Hon. Peter John McGauran MP
Minister for Immigration and Multicultural Affairs	Senator the Hon. Amanda Eloise Vanstone
Minister for Education, Science and Training and Minister Assisting the Prime Minister for Women's Issues	The Hon. Julie Isabel Bishop MP
Minister for Families, Community Services and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs	The Hon. Malcolm Thomas Brough MP
Minister for Industry, Tourism and Resources	The Hon. Ian Elgin Macfarlane MP
Minister for Employment and Workplace Relations and Minister Assisting the Prime Minister for the Public Service	The Hon. Kevin James Andrews MP
Minister for Communications, Information Technology and the Arts and Deputy Leader of the Government in the Senate	Senator the Hon. Helen Lloyd Coonan
Minister for the Environment and Heritage	Senator the Hon. Ian Gordon Campbell

**(The above ministers constitute the cabinet)**

## HOWARD MINISTRY—*continued*

Minister for Justice and Customs and Manager of Government Business in the Senate	Senator the Hon. Christopher Martin Ellison
Minister for Fisheries, Forestry and Conservation	Senator the Hon. Eric Abetz
Minister for the Arts and Sport	Senator the Hon. Charles Roderick Kemp
Minister for Human Services and Minister Assisting the Minister for Workplace Relations	The Hon. Joseph Benedict Hockey MP
Minister for Community Affairs	The Hon. John Kenneth Cobb MP
Minister for Revenue and Assistant Treasurer	The Hon. Peter Craig Dutton MP
Special Minister of State	The Hon. Gary Roy Nairn MP
Minister for Vocational and Technical Education and Minister Assisting the Prime Minister	The Hon. Gary Douglas Hardgrave MP
Minister for Ageing	Senator the Hon. Santo Santoro
Minister for Small Business and Tourism	The Hon. Frances Esther Bailey MP
Minister for Local Government, Territories and Roads	The Hon. James Eric Lloyd MP
Minister for Veterans' Affairs and Minister Assisting the Minister for Defence	The Hon. Bruce Frederick Billson MP
Minister for Workforce Participation	The Hon. Dr Sharman Nancy Stone MP
Parliamentary Secretary to the Minister for Finance and Administration	Senator the Hon. Richard Mansell Colbeck
Parliamentary Secretary to the Minister for Industry, Tourism and Resources	The Hon. Robert Charles Baldwin MP
Parliamentary Secretary to the Minister for Health and Ageing	The Hon. Christopher Maurice Pyne MP
Parliamentary Secretary to the Minister for Defence	Senator the Hon. John Alexander Lindsay (Sandy) Macdonald
Parliamentary Secretary (Trade)	The Hon. De-Anne Margaret Kelly MP
Parliamentary Secretary to the Minister for Immigration and Multicultural Affairs	The Hon. Andrew John Robb MP
Parliamentary Secretary to the Prime Minister	The Hon. Malcolm Bligh Turnbull MP
Parliamentary Secretary to the Treasurer	The Hon. Christopher John Pearce MP
Parliamentary Secretary to the Minister for the Environment and Heritage	The Hon. Gregory Andrew Hunt MP
Parliamentary Secretary to the Minister for Agriculture, Fisheries and Forestry	The Hon. Sussan Penelope Ley MP
Parliamentary Secretary to the Minister for Education, Science and Training	The Hon. Patrick Francis Farmer MP
Parliamentary Secretary (Foreign Affairs)	The Hon. Teresa Gambaro MP

## SHADOW MINISTRY

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

**(The above are shadow cabinet ministers)**

**SHADOW MINISTRY—*continued***

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





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*Thursday, 17 August 2006*

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

**ASBESTOS INJURIES  
COMPENSATION FUND**

**Mr FITZGIBBON (Hunter)** (9.01 am)—I move:

That so much of the standing and sessional orders be suspended as would prevent:

- (1) the Treasurer coming in to the House to explain why he is prepared to extend a tax break to James Hardie, but not to the Asbestos Injuries Compensation Fund;
- (2) the Treasurer explaining to the House why he will not ensure that payments by James Hardie to the fund will remain tax exempt in the hands of the fund, removing a tax liability to the fund of \$630m which will undermine the whole arrangement, and why he will not ensure that the \$160m tax liability on the earnings of the fund can be eliminated to guarantee that the victims and their dependants are properly provided for; and
- (3) the Member for Hunter moving that item 8 on today's Notice Paper be brought on for debate forthwith to allow the Opposition to move its amendments to ensure that the Asbestos Injuries Compensation Fund is tax exempt.

The government is robbing victims to pay James Hardie. The Treasurer will give James Hardie a tax break but he will not give the victims a tax break—

**Mr PEARCE (Aston—Parliamentary Secretary to the Treasurer)** (9.02 am)—I move:

That the member be no longer heard.

Question put.

The House divided. [9.06 am]

(The Speaker—Hon. David Hawker)

Ayes.....	79
Noes.....	60
Majority.....	19

**AYES**

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

**NOES**

Adams, D.G.H.	Albanese, A.N.
Andren, P.J.	Beazley, K.C.
Bevis, A.R.	Bird, S.

Bowen, C.  
 Burke, A.S.  
 Crean, S.F.  
 Edwards, G.J.  
 Ellis, A.L.  
 Emerson, C.A.  
 Ferguson, M.J.  
 Garrett, P.  
 George, J.  
 Gillard, J.E.  
 Griffin, A.P.  
 Hatton, M.J.  
 Hoare, K.J.  
 Jenkins, H.A.  
 King, C.F.  
 Livermore, K.F.  
 McMullan, R.F.  
 Murphy, J.P.  
 O'Connor, G.M.  
 Plibersek, T.  
 Quick, H.V.  
 Roxon, N.L.  
 Sawford, R.W.  
 Smith, S.F.  
 Swan, W.M.  
 Thomson, K.J.  
 Wilkie, K.  
 \* denotes teller

Question agreed to.

**The SPEAKER**—Is the motion seconded? The honourable member for Chisholm—

**Ms BURKE** (Chisholm) (9.11 am)—Mr Speaker—

**Mr Edwards**—I second the motion. This is a disgraceful grab of power for the rich mates at the expense of the victims.

**The SPEAKER**—The member for Cowan will resume his seat. The member for Chisholm is seconding the motion, I believe.

**Ms BURKE**—This is an absolute disgrace. Why are victims funding a tax cut for James Hardie?

**Mr PEARCE** (Aston—Parliamentary Secretary to the Treasurer) (9.11 am)—I move:

That the member be no longer heard.

Burke, A.E.  
 Corcoran, A.K.  
 Danby, M. \*  
 Elliot, J.  
 Ellis, K.  
 Ferguson, L.D.T.  
 Fitzgibbon, J.A.  
 Georganas, S.  
 Gibbons, S.W.  
 Grierson, S.J.  
 Hall, J.G. \*  
 Hayes, C.P.  
 Irwin, J.  
 Kerr, D.J.C.  
 Lawrence, C.M.  
 Macklin, J.L.  
 Melham, D.  
 O'Connor, B.P.  
 Owens, J.  
 Price, L.R.S.  
 Ripoll, B.F.  
 Rudd, K.M.  
 Sercombe, R.C.G.  
 Snowdon, W.E.  
 Tanner, L.  
 Vamvakinou, M.  
 Windsor, A.H.C.

Question put.

The House divided. [9.13 am]

(The Speaker—Hon. David Hawker)

Ayes.....	80
Noes.....	<u>60</u>
Majority.....	20

#### AYES

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

NOES

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

\* denotes teller

Question agreed to.

Original question put:

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

The House divided. [9.15 am]

(The Speaker—Hon. David Hawker)

Ayes.....	60
Noes.....	<u>80</u>
Majority.....	20

AYES

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

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

NOES

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

Moylan, J.E.	Nairn, G.R.
Nelson, B.J.	Neville, P.C.
Pearce, C.J.	Prosser, G.D.
Pyne, C.	Randall, D.J.
Richardson, K.	Robb, A.
Ruddock, P.M.	Schultz, A.
Scott, B.C.	Secker, P.D.
Slipper, P.N.	Smith, A.D.H.
Somlyay, A.M.	Southcott, A.J.
Stone, S.N.	Thompson, C.P.
Ticehurst, K.V.	Tollner, D.W.
Truss, W.E.	Tuckey, C.W.
Turnbull, M.	Vaile, M.A.J.
Vasta, R.	Wakelin, B.H.
Washer, M.J.	Wood, J.

\* denotes teller

Question negatived.

**The SPEAKER**—I remind all members that they are expected to uphold proper dress standards when they come into the chamber.

**TAX LAWS AMENDMENT (2006  
MEASURES No. 5) BILL 2006**

**First Reading**

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

Bill read a first time.

**Second Reading**

**Mr PEARCE** (Aston—Parliamentary Secretary to the Treasurer) (9.19 am)—I move:

That this bill be now read a second time.

This bill amends various taxation laws to implement a range of changes and improvements to Australia's taxation system. A number of changes in this bill will reduce compliance costs for Australian taxpayers.

Schedule 1 implements two fringe benefits tax recommendations from the *Report of the taskforce on reducing the regulatory burdens of business: rethinking regulation*. The first recommendation reduces compliance costs for business by increasing the minor benefits exemption threshold from less than \$100 to less than \$300. The second rec-

ommendation also reduces compliance costs by increasing the reportable fringe benefits amount threshold from more than \$1,000 to more than \$2,000.

This schedule also further reduces compliance costs by increasing the reduction of taxable value that applies to eligible in-house fringe benefits and airline fringe benefits from \$500 to \$1,000.

In addition, this schedule extends the definition of 'remote' for the purposes of the fringe benefits tax concessions, where the shortest practicable route involves travel by water. This is in recognition of the special circumstances of employees who work in locations isolated from populated areas by a body of water.

All of the amendments will apply in respect of the fringe benefits tax year commencing 1 April 2007 and all later years.

Schedule 2 proposes several amendments to the GST concessions following the establishment of the Military Compensation Scheme under the Military Rehabilitation and Compensation Act 2004.

Firstly, this schedule will ensure that supplies of drugs, medicines and other pharmaceutical items are GST free when supplied as pharmaceutical benefits under the Military Compensation Scheme.

Secondly, the GST-free car concession is extended to include people whose service in the Defence Force or in any other armed force of Her Majesty has resulted in them receiving, or being eligible to receive, a special rate disability pension under the Military Compensation Scheme.

These amendments will take effect from 1 July 2004, the date of the commencement of the Military Compensation Scheme.

Schedule 3 removes the part-year tax-free threshold for taxpayers who cease to be en-

gaged in full-time education for the first time. This measure extends the full tax-free threshold of \$6,000 to these taxpayers. The amendments were announced in the 2006-07 budget and will simplify the tax law and reduce compliance costs for taxpayers completing full-time study.

Under the current law, taxpayers who cease full-time education for the first time are not eligible for the full tax-free threshold of \$6,000. Rather, they are entitled to a reduced tax-free threshold that depends on the number of months they are not studying as well as their income during the full-time education period. These amendments apply from the 2006-07 income year.

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

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

**INDEPENDENT CONTRACTORS  
BILL 2006**

Cognate bill:

**WORKPLACE RELATIONS  
LEGISLATION AMENDMENT  
(INDEPENDENT CONTRACTORS)  
BILL 2006**

**Second Reading**

Debate resumed from 22 June, on motion by **Mr Andrews**:

That this bill be now read a second time.

**Mr STEPHEN SMITH** (Perth) (9.24 am)—Labor opposes the Independent Contractors Bill 2006 and the bill associated with it, the Workplace Relations Legislation Amendment (Independent Contractors) Bill 2006. At the conclusion of my remarks, I will formally move a second reading amendment which reflects the substance of the reason for Labor's position. This bill and the associated bill follow on from the government's so-called Work Choices legislation, from its extreme industrial relations

legislation. In that, we see an attack upon rights, an attack upon entitlements, an attack upon conditions and an overall attack upon living standards. In the so-called independent contractors legislation we see a further attack upon rights, conditions, entitlements and protections in the workplace and on living standards generally. In the government's so-called Work Choices legislation, in its extreme industrial relations legislation, we see an approach which attacks and reduces wages, removes or reduces conditions, and removes or reduces entitlements. That legislation tilts the lever in favour of the employer as against the employee—a weighting of the lever massively in favour of the employer.

When it comes to the so-called independent contractors legislation, there are two basic prospects which the government's legislation sets up. On the one hand, under the guise of so-called independent contractors, the legislation will allow genuine employees, vulnerable employees, to be pushed out of a genuine employer-employee relationship and to be established as so-called independent contractors—effectively sham independent contractors. The consequence of that will be that that employee's conditions and entitlements will be reduced or removed, but further burdens will be placed on that employee as a sham independent contractor: the burden of workers compensation, the burden of taxation arrangements and the burden of superannuation arrangements, which would normally be carried by the employer. On the other hand, we have at the state level many very soundly based protections which are there to protect contractors who are effectively in a dependent contract position—contractors who provide services or a service in the main to one contract partner, not unfamiliar in the transport industry, particularly with owner-drivers. The legislation removes or reduces the protections afforded to de-

pendent contractors to reduce or remove protections currently afforded to contractors or small businesses. It does that by overriding state provisions in state based legislation which have employee deeming provisions or which provide access at the state level to unfair contract provisions and unfair contract legislation. These protections are for the benefit not just of consumers but of contractors and small business.

The effective message from this legislation either to a vulnerable employee or to a dependent contractor is: you are on your own. The government has sought to create a mirage that somehow this legislation is good for small business and good for contractors. Nothing could be further from the truth. For small business and for dependent contractors, it is effectively saying: 'You are on your own. In an unequal bargaining position with a superior contract partner, you will effectively now be on your own, with no access to state based protections, no access to unfair contract provisions, no access to employee deeming provisions.'

That is summarised in the second reading amendment which I will formally move at the conclusion of my remarks but will now detail to the House:

That all words after "That" be omitted with a view to substituting the following words: "whilst not declining to give the bill a second reading, the House notes that:

- (a) this bill follows on from the Government's extreme industrial relations changes which are a massive attack on living standards and living conditions, by removing rights, entitlements and conditions of Australian employees;
- (b) this bill also removes rights, entitlements, conditions and protections afforded to Australians in the workplace, whether employees or independent contractors;
- (c) this bill does this by allowing employees to be treated as "*independent contractors*",

thereby removing employee protections and entitlements and placing superannuation, tax, and workers' compensation burdens on them;

- (d) this bill does this by removing protections from independent contractors who are in a dependent contract position and as a consequence in an unequal bargaining position;
- (e) this bill effects this by:
  - i. continuing to use the common law definition of independent contractor as the basis of law without the guidance of statutory criteria.
  - ii. allowing employees to be treated as independent contractors in a sham way by ineffective anti-sham provisions.
  - iii. overriding State laws with employee deeming provisions.
  - iv. overriding State unfair contracts provisions which provide protection to employees, contractors and small business.
  - v. overriding any future State and Territory owner-driver transport laws and putting existing State owner-driver transport laws at risk.
  - vi. failing to provide any genuine protections for outworkers through ineffective outworker provisions, significantly weakening outworker entitlements.
- (f) this bill introduces even more complexity and confusion into Australia's workplace laws; and
- (g) this bill treats the Senate Employment and Workplace Relations Committee reporting on these matters with contempt by dealing with the legislation prior to consideration of its report'.

The central principle which underpins this bill and the accompanying bill is that independent contracting relationships should be recognised and supported and that the appropriate mechanism for regulation is commercial law, not industrial law. Estimates vary as to the total number of independent contractors operating in Australian workplaces. The Productivity Commission estimates, from the ABS forms of employment survey data, that



the total number of independent contractors was 787,600 in 2004—8.2 per cent of all employed persons—down from the 1998 figure of 843,900, which is 10.1 per cent of all employed persons. This is disputed by the Independent Contractors of Australia, which has also cited Productivity Commission and FOES data to claim that the percentage of independent contractors in total employment has grown from 16.4 per cent in 1978 to 19.9 per cent in 2004, almost two million employees. Accordingly, estimates range from approximately 800,000 to two million independent contractors in 2004, somewhere between eight per cent and 20 per cent of all Australian employed people.

The government's legislation does not seek to define the term 'independent contractors' beyond its meaning under common law. At common law, employees are engaged under a contract of services, whereas contractors are engaged under a contract for services. In other words, an independent contractor is generally a person who is engaged on a labour only contract, usually determined as a one-off flat rate. Generally, the independent contractor remains responsible for a number of aspects of the relationship that would usually be the responsibility of an employer—for example, superannuation payments and remitting income tax to the Australian Taxation Office. This is problematic and it means that an independent contractor is seen to be a person who contracts for services to be provided, without having the legal status or protections of an employee, even if they are dependent upon that contract—for example, owner-drivers in the transport industry.

In addition to this definitional issue, the government's legislation covers five key areas. These are: (1) state laws with employee deeming provisions; (2) state transport owner-driver laws; (3) state unfair contracts jurisdiction; (4) outworkers in the TCF in-

dustry; and, (5) the so-called sham arrangement provisions.

The Independent Contractors Bill 2006 has five separate parts. Part 1 contains the principal objects and the relevant definition as referred to. Part 2 seeks to override state and territory deeming provisions. Part 3 seeks to establish a national services contract review scheme to enable applications to be made to a court for the review of services contracts. Part 4 seeks to provide a default minimum rate of pay for contract outworkers in the TCF industry and part 5 seeks to create transitional arrangements under the legislation. As I have indicated, associated with this bill is the Workplace Relations Legislation Amendment (Independent Contractors) Bill 2006. The purpose of that bill is to amend the Workplace Relations Act 1996 to deal with the sham employment arrangements.

On analysis of the bill, despite government assertions that the legislation is intended to protect independent contractors, the legislation does no such thing. The bill introduces a layer of additional complexity on an already complex industrial relations legal system provided to us by the government. The provisions are highly prescriptive, technical and introduce an effusing array of concepts. There are, for example, pre-reform commencement contracts, continuation contracts, related continuation contracts, remedy contracts, test contracts and a contractor test designed to clarify the continued application of state contractor law under the deeming provisions to relevant services contracts. In addition, some types of contracts entered into after the commencement of the bill will be subject to relevant state laws, while others will not, depending upon the satisfaction of technical requirements. That difficulty is referred to in the second reading amendment which notes that the bill introduces even more complexity and confusion into Australia's workplace laws.

I referred earlier to the application of the common-law test and it is worth while dealing with that in more detail. The test for distinguishing between employees and independent contractors is the common-law test as it has been applied by Australian courts and tribunals for many years. It is acknowledged that that test is difficult and complex but the criteria applied by the courts includes: the degree of control the worker has over the work; the degree to which the worker is treated as part of the principal's enterprise—for example, if the worker wears the principal's uniform; whether the worker is using his or her tools and equipment; how the principal pays the worker; whether it is at the discretion of the worker to work, if the principal has the right to dictate hours of work and the worker can refuse tasks; the provision of leave, superannuation and other entitlements by the principal to the worker; the place of work; whether the worker has the right to delegate work to others; whether the worker provides similar services to the general public; and whether the worker is providing skilled labour or labour that requires special qualifications.

Genuine independent contractors have always been considered by our courts and tribunals to be in commercial arrangements and are therefore subject to the provisions of contract law. When called upon to test the validity of a claim to either employee or independent contractor status, the courts have applied the relevant common-law test. Affirming this status and the commercial status of independent contractors therefore adds nothing new to the current regulatory framework. The bills, by adopting the common-law test, bring with them all the same difficulties. In practical terms, Professor Andrew Stewart has identified the limitations of the common-law approach. He said:

The fact is that any competent employment lawyer can take almost any form of employment

relationship and reconstruct it as something that the common law would treat as a relationship between principal and contractor ... thereby avoiding the effect of a wide range of regulation which is typically applicable only to employees, such as industrial awards, registered agreements, leave and superannuation legislation, and unfair dismissal laws.

That goes to the first primary point that under this legislation people who are genuine employees, particularly those in vulnerable positions such as outworkers, will be pushed out of the employer-employee relationship, lose whatever protections they have as employees under the employer-employee relationship and then have the additional burden of those things which genuine independent contractors would normally make provision for—namely, superannuation, taxation arrangements and workers compensation. That is the first, central focus of the government's legislation. The government's so-called anti-sham provisions to prevent people from being pushed into that position are in themselves a sham. So the government's sham provisions are in themselves a sham and require vulnerable employees to effectively apply to a Federal Magistrates Court to seek a determination of that issue. Issues also remain of workers hired as independent contractors under tax law.

Concern has been expressed that, while a worker may be hired on a commercial contract basis, they may meet the definition of 'employee' for tax purposes. Alienation of personal services income, PSI, tax rules which came into effect on 1 July 2000 removed most tax advantages for personal services contractors—while independent contractors must cover expenses for salary continuance, superannuation and the like. This then denies legitimate business deductions for dependent contractors. Similarly, professionals working as legitimate independent contractors who undertake major projects

over one year are also penalised under the PSI tax rule—for example, the 80:20 rule. That goes to the second aspect of this legislation: the government is seeking to trumpet this legislation as being of benefit to small business and as being of benefit to contractors. Nothing could be further from the truth. Not only does it introduce that tax complexity to which I have referred but, in the case of genuine independent contractors who essentially provide services to one other contracting partner who is in a dependent position, very many of the state based protections—whether it be unfair contract or employee deeming provisions—are removed, with no subsequent protections provided in the government's legislation.

I will now move to an analysis of some of the areas of concern about the bill. I will start with state laws with employee deeming provisions. The bills override all existing deeming provisions contained in state industrial legislation which deem certain categories of independent contractors to be employees and provisions granting employee related entitlements to independent contractors. In New South Wales, for example, certain categories of workers are declared to be employees and brought within the scope of industrial relations even though they may be independent contractors at common law. These deeming provisions cover a wide range of occupations, including milk vendors, cleaners, carpenters, joiners, bricklayers, painters, bread vendors, outworkers in clothing trades, timber cutters and suppliers, plumbers, drainers, plasterers, blinds fitters, council swimming centre managers, ready-mix concrete truck drivers, Roads and Traffic Authority lorry drivers and others prescribed by regulations. These provisions seek to redress the unequal bargaining power of these categories of workers which compromises their ability to negotiate working conditions. These are workers in demand categories. In many cases

their working arrangements are not different in substance from those of employees.

State deeming provisions have been introduced to offer protection to workers from effectively disguised employment relationships. The Commonwealth legislation overriding state legislation is subject to a three-year transitional period and the preservation of existing deeming provisions for outworkers and owner-drivers. As a consequence, they will not apply to contracted textile, clothing and footwear outworkers. The bill provides a three-year transitional period for the commencement of the legislation and only deeming provisions in state industrial relations laws will be overridden. Deeming provisions will continue to apply to existing contracts for three years after the commencement of the act and parties may leave this arrangement early if they wish under section 33 of the principal bill, which provides the parties with an ability to enter into a reform opt-in agreement. The direct result of overriding state deeming provisions will be to leave many vulnerable workers in an unfair bargaining situation and without access to basic entitlements.

The second area that I wish to go into some analysis of is state transport owner-driver laws. The bill provides for an exemption of existing New South Wales and Victorian owner-driver legislation. The New South Wales system includes basic regulatory protection for owner-drivers, including that owner-drivers are able to recover their costs. The New South Wales system includes enterprise specific arrangements for owner-drivers. The New South Wales system does not apply to genuine independent contract transport companies, instead applying only to single vehicle owner-drivers who are dependent contractors with one company. The New South Wales legislation allows for minimum standards to be created. The Victorian system uses small business models and

uses TPA protections—asking what rate owner-drivers would have gotten if they had performed that work as an employee. All contracts must list minimum hours and rates, if any, and dispute resolution is provided by the Small Business Commissioner. The legislation allows for the collective negotiation of rates. Currently only New South Wales and Victoria have state based legislation covering the employment conditions of owner-drivers. Western Australia is proposing to introduce legislation into its parliament shortly and the ACT is also suggesting similar legislation for the Australian Capital Territory.

Exemptions of both the New South Wales and Victorian state legislation are to be reviewed in 2007. This review opens up the prospect that such exemptions will cease either before or after the next federal election if the government is re-elected. There has been some coalition disquiet about these provisions, and I note that in the *Financial Review* the member for O'Connor, Mr Tuckey, urged the minister and the Prime Minister to remove these protections entirely. As a consequence we saw the government committing itself to a review. Most of us in this place know what a review is likely to lead to. If the government is re-elected, the results of that review, on the urging of people like Mr Tuckey, would no doubt see the existing New South Wales and Victorian protection provisions removed, just as the legislation has the effect of preventing other states—for example, my own state of Western Australia—from introducing comparable legislation to protect so-called dependent contractors.

The third area is the exclusion of the state unfair contracts jurisdiction. Independent contractors can no longer access state unfair contract laws. The bill creates a federal unfair contracts jurisdiction. Arguably, in some ways the bill extends the rights of independent contractors by introducing a national un-

fair contract regime. However, the states' tests are much broader, and much more easily able to be accessed. The new unfair contract provisions are significantly more limited, for example, than those in New South Wales. In New South Wales, the state Industrial Relations Commission can review a contract which has become unfair subsequent to the parties entering into it.

Under this bill there is no ability for employer organisations or unions to apply for unfair contract review on behalf of a party, which is the case under state law. The effect of this part will be greatest in states where existing regulation is most prevalent—New South Wales, Victoria and Queensland in particular. The parties to independent contract arrangements in these jurisdictions will see a sharp decline in the level of the regulation of their relationships. This provision treats all contractors on a purely commercial basis, regardless of whether they are an out-worker, a deemed employee or an independent contractor. This will result in a loss of entitlements and protections and will encourage employers to hire workers as independent contractors rather than employees. In addition to removing the state unfair contracts legislation, unfair contract matters will now be tried in the Federal Magistrates Court, a more formalistic jurisdiction. This will add to the expense, the length and complexity of arguments and the exposure to costs.

Concern has also been expressed that overriding state unfair contract legislation would water down protection for consumers and small business. Current legislation in New South Wales and Queensland provides for state industrial relations tribunals to hear cases of unfair contracts and provide remedies. This is because of the broad way in which the employer relationship is construed under these jurisdictions' legislations. The repeal of these provisions reduces opportuni-

ties of small business to claim that a contract is unfair. There is no effective federal unfair contracts legislation, and unconscionable contract principles under common law do not provide an effective remedy in most cases. These two areas are referred to in the second reading amendment and draw together the strands of overriding state laws to remove or reduce protections which are afforded not just to individual employees but also to small business and to contractors, particularly the access of small business and contractors to the unfair contracts provisions in New South Wales.

Let me move to outworkers in the textile, clothing and footwear industry. Part 4 of the bill provides for a default minimum rate of pay for contractor textile, clothing and footwear outworkers which would operate where an outworker is not guaranteed a minimum rate of pay under state and territory law. The wage is based on the minimum rate applicable to the TCF contracted worker under the minimum wage guarantee contained in the Australian Fair Pay and Conditions Standard. Contract outworkers along the chain of contract, as well as head contractors, may be liable for the payment of the default minimum rate. Records must be kept for TCF outworkers. Contracted outworkers will not have access to relevant state unfair contract jurisdictions. Currently outworkers are deemed to be employees under state industrial legislation in New South Wales, Queensland, South Australia and Tasmania. This means they are entitled to all benefits which attach to being an employee, even though they are employed under a contract for services. Clause 7(2)(a) of the bill will permit a state and territory law to continue to the extent that the law applies to a services contract in which an outworker is a party.

The bills introduce the notion of an outworker being a contract worker. This dual characterisation will lead to greater confu-

sion among clothing suppliers and outworkers as well as providing an additional incentive to those suppliers to circumvent the current system. It will encourage forum shopping by enabling state outworker entitlements to be enforced under state law, whereas any proceedings for review of unfair contracts must be instituted under the federal jurisdiction. The dual operation of state and federal jurisdictions will result in state authorised inspectors having the added burden of determining the extent to which clothing suppliers have genuine defences under this bill. As well, there is no provision in the government's legislation to aid in the enforcement of state outworker laws such as issuing compliance declarations by companies when engaging outworkers. Nor does the bill require contractors to inform outworkers of their entitlements under the relevant state law.

These bills will do little to protect outworkers without the proper application of state based outworker legislation. Given the generally accepted vulnerable and exploited position of outworkers in the contract process, there is a compelling argument that all relevant matters dealing with the engagement and regulation of outworkers should be removed from the jurisdiction established by the bills and remain a matter for state regulation. The legislation as drafted will have the effect of significantly weakening outworker entitlements.

The Senate Employment, Workplace Relations and Education Legislation Committee, effectively as we speak, is conducting a private hearing with the textile, clothing and footwear industry to consider these regulations. It would have been preferable if the government had allowed the committee to conclude its deliberations and make recommendations in respect of outworkers prior to the commencement of debate in this House. But I hope that the Senate committee will

recommend amendments to the government's legislation to ensure much more effective protection of outworkers. It is clearly the case that this is an area of great weakness in the legislative arrangements. One area of great weakness in regard to outworkers leads me to a major area of weakness in the legislation—the so-called sham arrangements provisions. The explanatory material accompanying the bill states that a sham arrangement is 'an arrangement through which an employer seeks to cloak a work relationship to falsely appear as an independent contracting arrangement in order to avoid responsibility for legal entitlements due to employees'—the very point that Professor Stewart drew attention to. I referred to him earlier. Page 9 of the explanatory memorandum states:

Employees in disguised employment relationships should have appropriate remedies available to them as they are not in reality independent contractors.

The difficulty with the so-called sham provisions is that they are themselves a sham and will be completely ineffective in preventing precisely that from occurring. This is in very many respects the major deficiency of this bill. It is not done by error; it is done deliberately. This will enable employees who are genuinely in an employer-employee relationship and who are in a vulnerable position, with unequal bargaining power, to be pushed artificially into a so-called independent contractor's provision that will see them at risk of having their employee conditions and entitlements reduced or removed and also place on them the normal burdens of a genuine independent contractor in terms of provision for workers compensation, taxation arrangements and the like. Those points are picked up in the second reading amendment—that is, 'allowing employees to be treated as independent contractors in a sham way by inef-

fective anti-sham provisions'. The so-called sham provisions are of themselves a sham.

Let me draw the strands of Labor's analysis of this legislation together. The government would like the community to believe that somehow a so-called independent contractors bill will be beneficial to small business and to independent contractors. Nothing could be further from the truth. For small business and independent contractors, this reduces or removes current protections, particularly those protections made available under state laws providing access to the unfair contract jurisdiction and access to deeming provisions. At the same time, the ineffective operation, no doubt deliberately designed, of the so-called sham provisions will see vulnerable employees pushed into an artificial independent contractor provision, seeing their rights and entitlements reduced and an additional burden placed on them. They are the great two messages of this piece of legislation: you are on your own. I move:

That all words after "That" be omitted with a view to substituting the following words: "whilst not declining to give the bill a second reading, the House notes that:

- (a) bill follows on from the Government's extreme industrial relations changes which are a massive attack on living standards and living conditions, by removing rights, entitlements and conditions of Australian employees;
- (b) this bill also removes rights, entitlements, conditions and protections afforded to Australians in the workplace, whether employees or independent contractors;
- (c) this bill does this by allowing employees to be treated as "*independent contractors*", thereby removing employee protections and entitlements and placing superannuation, tax, and workers' compensation burdens on them;
- (d) this bill does this by removing protections from independent contractors who are in a dependent contract position and as a consequence in an unequal bargaining position;

- (e) this bill effects this by:
- i. continuing to use the common law definition of independent contractor as the basis of law without the guidance of statutory criteria.
  - ii. allowing employees to be treated as independent contractors in a sham way by ineffective anti-sham provisions.
  - iii. overriding State laws with employee deeming provisions.
  - iv. overriding State unfair contracts provisions which provide protection to employees, contractors and small business.
  - v. overriding any future State and Territory owner-driver transport laws and putting existing State owner-driver transport laws at risk.
  - vi. failing to provide any genuine protections for outworkers through ineffective outworker provisions, significantly weakening outworker entitlements.
- (f) this bill introduces even more complexity and confusion into Australia's workplace laws; and
- (g) this bill treats the Senate Employment and Workplace Relations Committee reporting on these matters with contempt by dealing with the legislation prior to consideration of its report'.

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

**Mr Edwards**—I take great pride in seconding this very worthwhile amendment and reserve my right to speak.

**Mr CADMAN (Mitchell) (9.55 am)**—In Australia today, many of those hardworking independent small businesses that formerly have been terrorised by the union movement and stood over in an unfair way in the workplace will be free at last. It will be a great day for many small businesses in Australia when the Independent Contractors Bill 2006 successfully passes both the House of Representatives and the Senate.

If there is any one area that has bogged down Australian productivity and workplace relations, it is the definition of who is and who is not a contractor. We have had the previous spokesman outline that in New South Wales the whole of the building industry is deemed to be employees. Nothing can be more distressing than to meet a contractor who is locked out of a site because he does not carry a bus card or a union membership, when he has been required by the head contractor to go onto a site to carry out work, and to have some musclebound person paid by the union stand at the gate and deny him access to perform his duties and earn a real income.

On the other hand, if one looks at the housing industry across the nation, which is totally subcontract and contract, the efficiency, value for money and earnings from those contracts are the best in the world. No housing industry in the world can match the Australian housing industry, all carried out by contractors. That is what this legislation is about. We can have those wonderful contractors get to work without impairment, without obstruction and without the standover tactics that CFMEU has adopted at so many sites around the country.

But it is not only the building industry. There are many other industries where people just want the opportunity to be set free into their own business. Now they will have a proper choice. They will be able to decide whether they want to be an employee or whether they want to be a self-employed contractor. The decision that they have to make will be a clear one, and nobody will be able to coerce them one way or the other because there are protections in this legislation against sham contracts and unfair contract identification.

First of all, it needs to be understood that, because this is Commonwealth law, this pro-

vision will only apply to a circumstance where one party to the commercial contract is a corporation under corporate law, the Commonwealth of Australia or a territory, or a resident or registered as a business in a territory. So the limitation is there. This law cannot apply to a sole trader or to an individual who is not incorporated. It is a wide ambit, but there are exclusions. If two independent people want to enter into a contract, they can be whatever they like but they cannot be covered by this legislation.

The other important factor within the legislation is the definition of who is actually an independent contractor. Unlike the Labor Party, which loves prescriptive law, I am pleased that the government has chosen to use the common law which, over a long period of time, has established precisely what is understood to be a self-employed person.

Once we get into the definitional process it becomes like a bill of rights: we all think we know what it means but every bit of it has to be tested in court. So the commonly accepted process which the courts apply to decide who is an independent contractor and not an employee amounts to whether they are working on their own account or through a partnership or a corporate structure. It relies upon the degree of control the worker has over the work—for example: is the worker subjected to direction on how the work is to be performed, not just what the job is? It depends on the degree to which a worker is integrated into and treated as part of a principal's enterprise. A thing like a uniform is a simple indication that a person is presenting themselves to the public as part of an organisation. It also depends on whether the worker is making a capital contribution to the process that is going on, how the principal pays the worker, and whether the worker has freedom to choose their hours of work or whether they have an obligation to work at particular times. The freedom to make deci-

sions as an independent individual is very much part of the common-law test of who is an employee and who is self-employed.

Factors such as the provision of leave, superannuation and other entitlements are also taken into account under common law. Another factor is the place of work. Does the person work from their own premises—even if it is from their home—or do they work from a factory, a workshop or a garage? This is about whether they can say that they work from their own premises or use that as a base.

What about delegation of work to others? Has a person got the capacity to delegate other people to perform work or to subcontract to them? There is a test of whether the income tax is deducted from the worker's pay by the principal or whether the worker is responsible for their own income tax payments. Common law also indicates whether a worker provides similar services to the general public, so that anybody can come along and say, 'I would like you to do a job for me.' Another test is whether or not a worker has scope to bargain for their remuneration.

There is also the test of whether the worker is providing skilled labour or labour that requires special qualifications. I do not know whether there are many members in the House who are skilled bricklayers—I doubt it. That is a skill that is acquired through study, attendance at TAFE and experience on the job. It also requires the person to bring their own tools to the site.

There will be the removal of many of the provisions put in place by state governments that deem a person to be an employee, disregarding their capacity to make some of the decisions that I have outlined and disregarding things such as who they work for, when they work and what skills and knowledge they bring to the site. All of those things are significant in determining who is self-



employed. That is why I am so pleased that this legislation will set so many Australians who have felt oppressed by past industrial law free of all of those inhibitions. They will be able to make decisions from their very first step into the world of being self-employed on their way to becoming a full and competent business.

Another test applied to whether or not a person is an employer or an employee is the issue of deterrence from future harm. Is the principal in a position to reduce accidents and provide for things to be done in a better manner?

The background to this legislation is that the government made an election commitment to introduce separate workplace legislation. I do not know of many countries in the world that have legislation like this, and I applaud the government for introducing it. There are approximately one million contractors—maybe more—in Australia. Australians are voting with their feet whether they want to be employees or self-employed. To be employed or self-employed is the test.

Most of the young people that I meet in the electorate of Mitchell in north-western Sydney have a high degree of motivation and ultimately want to be involved in something where they make their own decisions and are not reliant on an employer. They say that they want self-managed employment, which means they want to choose between opportunities. This probably involves study of some sort—whether it is for a trade or means going to university. They want to be able to work part-time on a regular basis. It is a mixture of self-directed, self-managed opportunities that they aspire to. This is the true aspirational voter as distinct from people whom a previous leader of the Labor Party attempted to describe. The fact of the matter is that people aspire to be able to do special and different things, and this legislation will provide

the groundwork and the opportunity for that. (*Quorum formed*)

This legislation, for the first time, recognises and protects the unique position of independent contractors in Australia, something that has long been desired but something that has long been fought against by the Labor Party and the union movement. Combined, they have sought to make people who are self-employed into employees. They want to bring them under control. They want to manipulate them and bring them to a status where they can control and manage their lives through the union movement.

The legislation will enshrine the freedom of independent contractors to enter into arrangements they choose, primarily based on commercial considerations and on the definition in the common law as to who is self-employed, free from the prescriptive arrangements that are at the heart of so much of what the Labor Party loves and what the union movement lives on.

The bill delivers on the government's commitment to ensure that independent contracting is encouraged, expanded, built up and given opportunities so that people in those industries will have freedoms they do not have at the moment. It will provide efficiencies and joy in the workplace which are not there when people are forced to do things and to behave in a manner which is against their best interests and against getting a job finished.

A principle this government believes in is that genuine independent contracting relationships should be governed by commercial, not industrial, law. So the break-out is from industrial law to commercial law. People will be able to say that they are either employees or contractors. A contractor is self-employed, separate from what an employee is.

This bill excludes some aspects of territory and state laws but will provide a fairer

and more accessible national contracting review mechanism through the courts if there are proposals to change unfair contracts or to review contracts. The freedom to operate as a genuine contractor should be protected from inappropriate limits. People should have the freedom to enter into contracts. The efficiency of a modern economy relies on our maximising the skills, imagination and creativity of the Australian people, and most often that is best done when a person is reliant upon their own decisions, not the decisions of others.

The existing regulation for genuine independent contracting across many of the states is a regulation of entrepreneurship: it limits people. This legislation does not have any sort of statutory requirement for definition, and I applaud that. It is the totality of circumstances surrounding the workplace and what a person actually does that is taken into consideration. This legislation will override most of the states' legislation for people termed as 'deemed employees'. A previous speaker from the Australian Labor Party read out an amazingly long list of those industries and workers who are deemed to be employees whether they work for themselves or not. What a limitation that is, not only on entrepreneurship but on productivity, job satisfaction and the opportunity to go ahead. So these changes are really significant.

Do the changes come into place tomorrow? No, they do not. There is a three-year period for the transition to take place. So state deeming laws will not be knocked over tomorrow—the sky won't fall in. Things will not happen overnight, but within three years those state deeming laws will be wiped out, and if people are a corporation, or one of the partners in a contract is a corporation, or they are within a Commonwealth or territory jurisdiction, they will have to change. The transitional period will allow deemed employees and employers to be fully informed

about the government's intentions and to make the one-off change. The transitional period will not apply to people who, after the passage of this legislation, enter into arrangements. From now on, people coming into the workforce are no longer able to be deemed as employees.

There is protection for outworkers in this legislation and there is a carve-out for owner-drivers in New South Wales. I am sorry that a better result has not been established for the owner-drivers of New South Wales. I understand the difficulties that have been created over many years. I also realise that the Razorback stoppage, along with 'green dog' and the history of that industrial conflict, was really about owner-drivers wanting unions off their backs. It was also about large freight forwarders trying to control owner-drivers. Owner-drivers in that case rejected the activity of both the Transport Workers Union and the large freight forwarders operating in concert. They wanted to be broken free of those controls. A capacity to negotiate in their own right, which the Trade Practices Act now provides for, should be encouraged so that they can in fact have a concerted and reasonable voice which does not have to be controlled, manipulated or directed by the TWU in New South Wales or anywhere else.

That is what Razorback was about. Those are the attitudes we have to resolve and that is why the minister is having a review of the process—a review which I, for one, want to be genuine, to resolve this problem and to give freedom to owner-drivers right across the country, in no matter what state, to make their own decisions, to contract together, to negotiate together for their own benefit and for the benefit of their families. (*Time expired*)

**Mr HAYES** (Werriwa) (10.15 am)—After listening to the presentation by the member

for Mitchell, I cannot help but think of setting the workers free. It conjures up the idea in my mind of releasing the dove of peace into the wild blue yonder, but not before giving it a good old-fashioned throttling. From the outset, let me say that I am absolutely opposed to the Independent Contractors Bill 2006 and cognate bill, just as I was opposed to the Work Choices legislation brought down by this government. This legislation will give independent contractors no direct benefit. They will not be better off. It will not better equip them to negotiate with unscrupulous employers or operators. It will not even up the difference in bargaining power that exists between businesses and potential contractors as they ply their trade. Just like the Work Choices legislation, the passage of this legislation will end with reduced wages, conditions and entitlements for hardworking Australians. This legislation is the culmination of big business plotting with the government to ensure that employers hold every card in the deck when it comes to future negotiations or determining employment conditions of Australian workers.

In his second reading speech, the Minister for Employment and Workplace Relations spent a considerable time using words such as 'choice', 'freedom' and 'flexibility'. As Australian workers have come to understand, when this government uses those words to describe industrial relations, no good can come of it. No good can come of these changes. We have all heard of the quiet revolution in Australian labour markets at the moment, which has resulted in a considerable number of individuals becoming contractors and in a shift in responsibility from employers to the contractors themselves. Generally, independent contractors remain responsible for their own superannuation payments and the remittance of income tax payments to the tax office.

The minister described contractors as people who have chosen to work for themselves. Some people do do that but plenty do not. Many are in my electorate, whether they be painters or carpenters—my son included—and they do not get a choice. Either you front up for a job with an ABN and are prepared to act as a contractor or you do not get the job. That is beyond argument. That is a fact of life applying currently in various industries. For many of the people whom the minister describes as having chosen to work as individual contractors, there is no choice.

The quiet labour force revolution has meant that the independent contractor is seen to be a person who contracts for services to be provided without having the legal status or protections of an employee, even if they are dependent upon that contract for work. Sure, there are plenty of people who have genuinely decided that they will be better off working in a contracting role, who have established businesses accordingly, preferring to retain the capacity to decide when and where they work. I do not begrudge people that choice, although I suspect, if you consider the profile of individuals who have pursued this path, you will find that they are relatively highly skilled, quite able to work for themselves, to ply their trade and to negotiate on a reasonable basis as they sell their services to prospective organisations. As the Uniting Church pointed out to the Senate Employment, Workplace Relations and Education Legislation Committee:

We are, however, also aware that there are many workers who are being coerced into moving from being employees to being contractors, although this results in financial disadvantage and lost security of employment. They perform similar work to the work they performed as employees and/or to the work done by employees working alongside them.

The church went on to say:

Whether or not contracts contribute positively to anyone's wellbeing depends on their content and the circumstances to which they refer. An exploitative contract which results in less than a living wage creates poverty and is not in the public interest.

Once again, the churches and community groups have spoken out against the dead hand of this government's extreme industrial relations changes. While the minister talks about freedom and choice, individuals and community organisations know only too well that under this government freedom and choice are in fact being removed. The Australian population realise that, when the government talks about industrial relations changes, it is not acting in their interests and that their wages and conditions are at risk. While many contractors might have thought that somehow they would be immune from the excesses and unfair provisions of the Work Choices legislation, the provisions of this bill mean they will not be. They will know that, even if there are changes proposed to contracts, there will be no real negotiations other than around the margins.

It is interesting that the government has chosen to exclude small groups from the provisions of the bill before us. It is particularly interesting, given the anti-union, ideologically driven short-sightedness that led to the development of this bill, that owner-drivers in New South Wales and Victoria were excluded from the provisions because of the strong representations of the Transport Workers Union on behalf of its membership. The bill seeks to maintain the existing legislation in New South Wales and Victoria with respect to road transport owner-drivers, which will be subject to review in 2007. It allows the laws that have been in place in New South Wales for some 30 years—laws I note the minister recognised in his second reading speech as having bipartisan support—whereby owner-drivers can bargain

collectively, with minimum rates of pay and goodwill compensation set by a tribunal.

The minister notes in his second reading speech that the reason for continuing to exclude owner-drivers in New South Wales and Victoria was that special circumstances face these owner-drivers. He noted that owner-drivers:

... operate within very tight business margins because of the large loans they have to take out to pay for their vehicles.

The minister knew he had once again gone a bridge too far with the original version of the legislation, because the Transport Workers Union rallied in support of owner-drivers in New South Wales and Victoria and provided the minister with some considerable feedback on how strong their feeling was about the original legislation.

The union got behind its owner-drivers and convinced the minister of the folly of his ways. It is interesting that action by a union has convinced the minister to change his mind in this circumstance, given that the primary purpose of this bill is, quite frankly, to remove unions from the equation. Let me remind you, Mr Deputy Speaker, of the Dawson bill, which is currently stalled in the Senate. Its very purpose is to allow for collective bargaining of small businesses provided that they do not allow a union to be the coordinator of their bargaining. That bill has stalled in the Senate, courtesy of Senator Joyce, but the bill was a government initiative to try to strip any involvement of unions, principally the Transport Workers Union, in representing the interests of their members—in this case, owner-drivers.

The fact that the minister has backed down in respect of owner-drivers in New South Wales and Victoria indicates the importance of strong representation from unions such as the TWU, which has proved that it is prepared to get out there and look after

its members. Let us face it: its members are running their businesses and applying their trades as owner-drivers in an essential industry in New South Wales and Victoria.

There is no doubt that many people within the broad class of independent contractors were deeply concerned at the prospect of what the extension of the government's extreme industrial relations changes might mean for them. Many independent contractors know that they are independent in name only and that, in practice, they are virtually indistinguishable from employees. The prospect of the introduction of this legislation sent a chill through my electorate and certainly through the owner-drivers, who have invested considerable sums of money in purchasing their vehicles, who have spent considerable time in running up their goodwill and who certainly do a lot to earn a living and to provide for their families.

Christopher Buttler, a fellow in my electorate, indicated to me that he was concerned about the changing dynamic in the workplace that would follow the introduction of this legislation. He was particularly concerned that there would be an opportunity for companies to use their power to influence the allocation of work unfairly, with the end result being that your personality, not your work performance, would decide whether you were going to eat next week. Similarly, Robert Serafini told me that he has been driving for 16 years and has invested \$70,000 in setting himself up. He was concerned that he was going to lose access to his union and that, without them, he would be under considerable pressure when negotiating future contracts. These are just two people who have told me their stories, and I am sure they are not unique. The minister may not hear the stories as he travels the boardrooms of Australia spruiking his new industrial relations laws, but people with stories

like those of Christopher and Robert are out there.

Maybe listening to the real-life experiences of working Australians will be the job of the new Minister Assisting the Minister for Workplace Relations—Joe Hockey might be persuaded to lend an ear to some real-life stories. Maybe it will be the job of the government's new industrial relations task force. But who would know, because nothing has been said about what either the task force or the new minister will be doing. Either way, it will stand in stark contrast to Labor's industrial relations task force, of which I have been a member, which has visited 22 electorates across the Commonwealth and spoken to more than 200 witnesses. We are out there listening to the real voices within our communities. The retention of the protections for owner-drivers in New South Wales and Victoria allows the basic minimum regulatory protections to remain in the industry in a way that does not hinder competition and does not reduce flexibility or destroy productivity.

When the minister was driving this legislation through cabinet—until he was tripped up by his backbench—he seemed to forget that there is an additional dimension when it comes to the transport industry: we need to be mindful that measures that erode the protection of workers also erode the safety of the entire community. No-one wants a situation in which owner-drivers are forced to take huge risks to meet deadlines. The introduction of unreasonable transport timetables puts at risk their lives and the lives of other road users. That said, the sting in the tail of these exemptions for New South Wales and Victoria, which was provoked by a backbench revolt, is that the legislation will be reviewed in 2007. So, sometime before or after the next federal election, this government is going to revisit these issues.

Possibly the biggest problem in this bill is the provision that relates to sham contracts. Quite frankly, the government's sham contracting arrangements are a sham. The explanatory memorandum outlines a sham contract arrangement as 'an arrangement through which an employer seeks to disguise an employment relationship as an independent contract in order to avoid responsibility for the legal entitlements of an employee'. This type of arrangement is a disgrace. It is an abuse of the system and, as all members in this place know, it is, sadly, far too common.

The government has acted to perpetuate the likelihood that sham contracts will be entered into with increasing regularity. If this is what we have to rely on to stop a sham, it has completely failed. While the minister believes that the arrangements he has put in place in this bill will send a clear message to employers that dressing up employment relationships as contracts will not be tolerated, he has failed spectacularly to introduce such a regime. The provisions introduce a reverse onus of proof, requiring a contractee to demonstrate that they could not reasonably have known that the contract was an employment contract rather than a contract for services.

That is not all. The worst aspect is that an applicant is required to demonstrate that the contracting arrangement would be an employment relationship. Talk about putting the cart before the horse! For a successful application to be mounted, an affected worker not only has to convince the Federal Court that the contract is, or is intended to be, a contract of service—that is, an employment contract—but also must successfully rebut any claim that the contractee could not reasonably have been expected to know that it is a contract of employment. As a layperson, that sounds pretty complex to me. It is almost as complex as the Work Choices legislation itself.

The cynical among us might think that putting such a system in place was aimed not at deterring contractees from entering into sham contracts but at deterring affected workers from challenging unfair sham arrangements. These thoughts are all but confirmed when you realise that breaches will be dealt with by the Federal Court or the Federal Magistrates Court, and not by the industrial relations commissions. These are cost jurisdictions, so any affected worker who manages to get through the earlier complexities of the system also faces the prospect of having costs awarded against them should they be unsuccessful in challenging a sham arrangement. Members on the other side will not mention a word of that. This is the disincentive for people to pursue sham arrangements. Great protections, aren't they? Protections? They are disincentives. They erode access to justice by people who are working as contractors under these arrangements.

The simple fact of the matter is that those who are most likely to be caught up in sham contracts are those who are the least able to stand up for themselves. Those workers who are being taken advantage of under sham contracting arrangements are the least likely to be able to put together a case and front up to the Federal Court or the Federal Magistrates Court. However, this government is tearing down protections for the workers who need them most. This government governs for itself and its mates, and certainly not for this country. (*Time expired*)

**Mr TUCKEY** (O'Connor) (10.35 am)—A simple analysis of the contribution by the member for Werriwa can be put in a very short sentence: 'The 750,000 persons identified by the Productivity Commission—possibly extending to 1.9 million Australians—who have, irrespective of this legislation, chosen personally to be independent contractors are too dopey to make decisions on their own behalf and must have their

hands firmly held by Greg Combet or, for instance, the head of the CFMEU in Western Australia, Mr Reynolds.' And Mr Reynolds seems to have done fairly well from the job. He has just occupied an apartment in the most expensive apartment block in Western Australia. Maybe, to assist in the financing of that, he sold his share of a \$3 million tavern in which he has been the major investor for some years. The tavern, I might add, is in the electorate of the member for Brand.

Who is being defended in this place? Is it the trade union movement, and the fees it attracts from, for instance, a certain group of owner-drivers? And would they ever explain to those owner-drivers the massive conflict of interest that exists when you have the same representative in a market situation defending the rights of your principal opponent?

There is no anger and distrust between a waged driver at, say, Fox, and an owner-driver, but they are competing for the same work. The member for Werriwa quotes a comment frequently made that you have to look after owner-drivers because they have such big loans to pay off. Now how did that happen? Did Lindsay Fox go out in the street and do as they used to do in the old days to collect people for the Navy? Did he put his very large arm around their necks, drag them through the gate and say, 'You are going to buy a truck, sign up for a very expensive hire-purchase or lease agreement and then work for me for ridiculously low rates'? No.

I have been in the business. I have been an owner and I have been a subcontractor. I had a licence to drive a road train—until a conspiracy between the unions and our government and the state governments wiped my licence out, along with those of 30,000 others, because we were not driving regularly. Too bad if you drove three months a year seasonally—you were not considered a regu-

lar driver, and you would have to pay \$2,000 to get your licence back. And we think we have a skills problem! And now they are talking about bringing in overseas drivers. It was the union movement that wanted to kill off all those licences.

But let me come back to the main issue. It has always been a problem for owner-drivers that, by their own choice, they line up and—because they have got no money—take on a lease contract on an asset, which is worth possibly a quarter of a million plus these days, and pay the highest possible interest rate. The prime contractor, on the other hand, has two choices. He does not pay that sort of interest rate. He has the option to buy brand-new equipment—well, he might use shareholders' money to pay for it—and then he pays wages. There is nothing wrong with that. That is the judgement he makes back in the front office: a judgement between the cost to his business at his cost of capital and the cost of wages. He is competing with an owner-driver who generally pays very high interest rates and, as a consequence—and, for the member for Throsby's information—usually continues to operate an old smoky truck, because he cannot afford a new one. That owner-driver has got to compete, with his choice of capital, with the prime contractor. That is the judgement. It is not avaricious; that is the judgement. And who is the representative who says, 'I'll look after you; trust me'? The trade union movement.

If this bill were about recognising the role of the owner-driver contractors association as a body representing its members in the Magistrates Court to argue some of these instances, I could see the sense in it. But when people come to this place and tell me they need the protection of the Industrial Relations Commission of New South Wales, when it has a conflict of interest with their entitlement to work, I find it absolutely ri-

diculous. I am deeply concerned, consequently, that this legislation chooses to exclude from its provisions the laws of New South Wales that create that conflict of interest. And there are a hell of a lot of drivers in New South Wales who would like to shed that restriction.

Those opposite talk about minimum rates. But once you arbitrate a rate, it also becomes the maximum rate. And independent contracting is all about initiative and hard work, in whatever category, and about delivering better returns, both to the person who takes that independent contracting choice and to the community. Because if you want to double the freight rates to a remote area in Australia—and there are plenty of them—what happens at that locality? The prices go up. If those rates have been decided in a commission that does not take that into account, then it is a bad deal.

The prime contractor is in competition. If a freight contract opens up for a major mining company or something like that, it will be Linfox versus TNT versus the other big players—Toll, in particular. And of course their business decisions are made accordingly. They have cheap capital. Owner-drivers do not. And the fundamental issue is: owner-drivers need to be able to make their own judgements as to the price they will charge. Say you are a really smart operator, and you have saved your money, or you have got an inheritance—maybe mum and dad died and you got their house, which is worth more than a truck these days—and you use cash to buy a truck and you are lucky enough to be able to put a couple of trailers behind that. In New South Wales and Victoria, the two perpetrators of this particular type of legislation, the governments have done everything to make trucking uneconomic for subcontractors by not giving them a decent configuration. But Western Australia has led in that respect, I know. We allow double-

bottom semis to run around the Perth metropolitan area—surprise, surprise, they have not run over anyone yet—and that configuration adds significantly to the efficiency of the vehicle.

So someone in New South Wales—and we are going to perpetuate this—spends their own capital and thinks the rate of return they want to get will be a little bit better than bank interest. They buy a brand-new, non-polluting prime mover and they want a job, given the investment of their capital. They go to Lindsay Fox or they go to Mr Little of Toll and say, 'I want to work at this rate.' Under the laws of that state they have got to be shown the door. So another bloke, with smoke coming out of his truck's exhaust pipe, gets the job, because the system provides for it. It provides for the minimum amount of investment and the lowest quality equipment—and the owner-driver is stuck with it. He cannot be competitive. He cannot go and buy the more efficient truck, the more environmentally friendly truck, and get a job, because the prime contractor would break the law if he gave him the job, notwithstanding that he has come in and said, 'I will deliver to that remote Aboriginal community for less money than anybody else.' But you are not allowed to do that under Victorian law. (*Quorum formed*) Wouldn't it have been good for Kim if he could have called a quorum at the doorstep the other day? Next thing they will be trying it! 'Don't confuse me with the facts,' those opposite say. Here they have the opportunity to hear me speak on behalf of the very people they say they are defending by opposing this legislation. But they are turning around and denying me the opportunity to explain why there is a conflict of interest in owner-drivers being represented by the trade union movement.

Let me say that I understand the circumstances in New South Wales. They have a long history. It is amazing that people can



come to this parliament and tell us, quite correctly, how tough it is to be an owner-driver and then tell us they paid goodwill for the job in excess of the value of the truck they bought. Given that the rule when you buy a business is that goodwill is the luxury value of owning that business, it is silly that they do so—but I do recognise it. My concern with the provisions of this bill that exclude owner-drivers is that they will be across Australia. I think the minister is deluded in thinking he can limit national legislation to one or two states. But putting that aside, I cannot see how this proposal will benefit owner-drivers. As for my suggestion, it is still under consideration. I have had my discussions with the Prime Minister, and I want those people out there who are concerned about these exclusions to know that the government is now going to wait until it receives the report from the Senate committee. I think certain members thought that inquiry was going to be a great opportunity for the trade union movement to put its case. There have been a lot of industry people putting representations to that committee too. Quite properly, the government is going to consider those before this bill is debated in the Senate.

I have only requested an amendment that puts a two-year sunset clause into this legislation, so that something is done about it. That does not mean the removal of the rights of owner-drivers in New South Wales, where they are to their benefit. But, as I just said, if we are going to acknowledge some people as being a representative group of owner-drivers, why isn't it the owner-drivers association? Why is it a group in the trade union movement that has got its eye on its own waged member who is in competition for the job down at Toll or Linfox? The system does not work. The reality is this: if we want to give some rights of representation to owner-

drivers in this case, why not let them form an association?

I might add that the government recently put legislation into this House—which passed it and sent it up to the Senate—which allowed owner-drivers and other small business people to negotiate collectively under a set of conditions. The reason that stopped is that the Labor Party voted against it. Senator Barnaby Joyce gets a mention but the reality is that his vote counted for nothing. It is like border protection here the other day: two or three people sat over there. They could not change anything in this place without a 100 per cent vote against border protection by the Labor Party. The same thing applies.

If Labor had supported that legislation rather than making a tricky little political point, there would be a provision in as we speak where sections of the contracting community, independent people, could have negotiated collectively by the simple act of notifying the ACCC—and getting their approval, admittedly, but there was a process. That is hung out to dry. To hang it out to dry on the principle that Coles and Woolworths might amalgamate one day—what a joke. Before that happens, Wal-Mart will buy one of them!

It is a silly concept and a good opportunity to create some fairness in industry. I oppose these measures because I think they are wrong—but not in the context that there is not a situation in New South Wales that has to be addressed. You just cannot tell a lot of people overnight they no longer have goodwill when they have provided for it.

If I can come back to my example of the fellow who got an inheritance and paid cash for a truck, he does not need his superannuation to be protected. He will make provision for that out of the profits of his truck. But that sort of person is denied work under the New South Wales legislation because he

cannot be competitive. He cannot come in and say, 'Look at my beautiful new half-a-million dollar rig, highly efficient and highly environmentally sensitive. It's got a speed limiter on it so I can't drive too fast,' because the boss will say, 'Can't take you at your price; I'm obliged to pay more and I've got a coupla blokes with smoky old rigs that are on the list already. I daren't put them off, because the union'll go crook.' That is the situation. That is what this piece of the legislation forgets, and it is time this parliament woke up to where the benefits to the environment and the benefits to efficiency arise: out of a competitive environment. But I can bet you the bloke who has inherited that money would not go and do that and put that money at risk. I guarantee you he is not as stupid as the member for Werriwa suggests—how you have to have people who have a \$3 million apartment looking after their affairs under the guise of being trade union leaders. Excuse me!

This legislation has got to go further, and I hope that the Senate committee will have sensible recommendations for the government that look after people that are in an invidious position of their own making. It has got to be resolved, but not by this process of giving them a conflict of interest.

**Ms GEORGE** (Throsby) (10.55 am)—I will resist the temptation to engage in a discussion with the member for O'Connor. It would be good advice to suggest the member for O'Connor speak to some owner-drivers, particularly those on long haulage trips, and ask them why they have to resort to the use of amphetamines to meet the contracts at minimum wage levels, to understand that people in that industry do not bargain on a level playing field. The bargaining relationship for many owner-drivers is very unfair and inequitable. I think the comments that we heard from the member for O'Connor and earlier from the member for Mitchell

should explain very clearly to the broader community that this bill needs to be seen in conjunction with the government's Work Choices legislation as yet another attack on the rights and protections of working people, particularly of those people who are classified as dependent contractors.

The Independent Contractors Bill 2006 continues the government's attacks on the union movement and its right to properly protect and represent the interests of workers. Again, we are not surprised to hear the union-bashing sentiment in the words used by both the member for Mitchell—about which I was quite disappointed, because he normally refrains from playing the person—and the member for O'Connor, who has good form on this account. I think the comments that they made about individual people in the union movement are quite unjust and disparaging and not befitting the level of debate that should occur about a bill that has significance for a lot of working people.

The minister claimed in his second reading speech that unions are opposed to independent contractors and have used industrial relations and political tactics to try to restrict their natural growth and force contractors into the traditional industrial relations system. Really, nothing could be further from the truth. Neither the union movement nor the opposition has any argument about genuine independent contracting arrangements freely entered into where people conduct their own businesses under a commercial contract. But the situation is far more complex than this in the real world and far more muddied—far more muddied than the minister's simplistic statements in his second reading speech would have you believe and far more muddied than the very superficial comments made about this bill by the member for O'Connor this morning.

I want to go to the substance of the argument, try to convince people about the distinction between independent and dependent contracting and argue that dependent contractors are nothing more than employees who often have been forced into a dependent contracting arrangement because they do not have bargaining power to resist that approach from their employer. It is true that, over the last two decades, we have seen a big expansion in non-standard work arrangements. We know that in our country workers have been protected historically by industrial and workplace regulation when they enter into a contract of employment; quite distinct from the self-employed, who are involved in contracting their services out to a number of clients and who have been seen traditionally as in business for themselves and operating under commercial contracts.

So we have this quite clear distinction: you are either in an employment contract—and you are a worker or an employee—or in a contract for services, where you are seen to be independent and in business for yourself. While one does not argue about the use of non-standard work arrangements in circumstances where the traditional employment relationship is not able to meet the needs of a changing workforce, it is, in my view, folly in the extreme to not recognise and understand that these non-standard arrangements are increasingly used by employers to undermine the traditional employment relationship and the protections that have been attached to it. In this way, by making people dependent contractors, employers can evade their responsibilities by contriving situations of ‘disguised employment’. I will address these sham arrangements in more detail a little later.

In the growth of the labour hire industry we have seen employers shift much of their responsibilities to the third party, the labour hire operators. The lack of regulation allows

this industry to be used as a means of reducing workers’ wages and conditions—not by all labour hire firms, because some are very reputable. In the absence of effective regulation, you have shonks out there in the labour hire industry who have used that industry as a means of competing on wages and conditions. The industry has grown beyond its original purpose of supplementing labour on a short-term basis that operated through our traditional temp agencies to a means of now replacing entire workforces by unscrupulous operators in an unregulated industry. That is one form of non-standard work arrangement.

The other that is dealt with in this bill is what we call the contracting arrangement. Historically and traditionally, contractors are seen as people who conduct their own business or enterprise and who are engaged to perform work under a commercial contract. The ABS use the term ‘own account’ worker. They note, as the minister does, that there has been quite a growth in people described as ‘own account’ workers, reaching a figure in the vicinity of 936,000 such people in November 2004.

According to estimates from the Productivity Commission, around 10 per cent of people in employment today work as self-employed contractors, the largest group being tradespeople and professionals. That sounds fine and reasonable, and we have heard how we have to nurture the entrepreneurial spirit and support people who want to go into their own businesses. There is no problem with that at all. Where it is growing and where it is a genuine independent contractor arrangement, that is fine. As we know, contractor arrangements do not have the rights and responsibilities that go with an employment relationship. But the real point of the debate is this: the distinction between contractors and employees is increasingly blurred, with the terms ‘independent contractor’ and ‘dependent contractor’ now used to

distinguish between contractors who clearly run their own business in an independent manner and those who are contracted to supply their labour to a particular principal in a controlled or dependent manner. In that huge growth of contractors, it is now estimated that up to 41 per cent of contractors are in fact dependent contractors—that is, nothing more, nothing less than what we have known traditionally as employees who, in a proper and fair system of regulation, would be protected in an employment contract, not in a commercial contract. It is through contracting that employers have been able to evade their responsibility to their employees by contriving situations.

As I said earlier, there is nothing inherently wrong with an independent contracting arrangement if both parties freely enter into it with a proper understanding of the nature and effect of such a relationship. Genuine independent contractors conduct their own business or enterprise and are engaged to perform work under a commercial contract. Such an arrangement does not attract the rights and responsibilities of an employment relationship. But in sham arrangements—and this is what I want to focus on—the worker is often unaware that this contracting arrangement transfers responsibility from the employer to the individual worker for obligations such as taxation, superannuation, workers compensation, insurance and public liability insurance.

It is a pity that the member for O'Connor is not in the chamber, because I will cite one example and ask him to tell me whether these people are workers or independent contractors. Back at the time of the Olympics, a multinational catering company tried to avoid paying award wages—which they would be responsible for under an employment contract—to their catering employees, some of whom were as young as 15, by attempting to turn them into independent con-

tractors. When the mums and dads woke up to what was going on, they contacted the unions to complain that their children were being required to take out an ABN and would be paid only on a commission basis. That was contrary to the award which applied to the employer at the time. That is a simple illustration of what I am talking about in terms of sham arrangements, where people who normally would be covered by an employment relationship—where the employer has obligations for tax, super and workers compensation—turn that arrangement around, transfer the responsibility from the employer to the individual worker and somehow deem them to be independent contractors. What a joke—if it was not so serious!

In the *Financial Review* some 10 years ago—this is how long these scams have been going on—under the headline 'Huge financial penalties if contractors deemed employees'—that is, if you get caught out by abusing the laws—a tax consultant at Deloitte stated:

Due to the steadily increasing volume of employment legislation and regulation, more businesses are using independent contractors and outsourcing to do work previously done by full time employees.

No wonder. He argued there were plenty of tax advantages to employers, pointing out that:

... businesses using contractors were not required to pay payroll tax, superannuation contributions, workers compensation and were usually saved the administrative burden of PAYE tax.

In a note of caution he said:

... it was impossible to be absolutely certain that all contractors legally remained contractors, rather than employees, but business could greatly increase their ability to survive an ATO audit by adopting a number of basic precautions.

And he went on to elaborate. So there we were, 10 years ago, with tax consultants ad-

vising business to be very careful about how they constructed these sham arrangements, which transfer all these obligations to the poor individual worker. They were saying, 'Be careful, boys, because if you get caught out you might face a penalty from the tax office.' As acknowledged by the tax expert, the distinction between contractors and employees was becoming increasingly blurred. It is now estimated, as I said earlier, that up to 41 per cent of contractors are in fact dependent contractors—that is, people who do not run their own business in an independent manner but who are contracted to supply their labour to a particular principal in a controlled and dependent manner, just like the young catering employees, aged 15, whom I referred to earlier with respect to an attempted sham arrangement. Some legal academics state:

... with a modicum of care and ingenuity it remains possible for business to obtain work from individuals who are virtually indistinguishable from employees, in terms of their close connection to the organisation and subordinating to its managers and supervisors, yet whom the common law does not characterise as 'employees'. This can in most instances be achieved simply through a well drafted contract that is designed to look as much like a client/contractor agreement as possible.

I think that says it all, and I think the inherent dangers posed in this bill apply to many classes of workers out there who today are genuine employees but who under these sham arrangements are somehow considered to be independent contractors.

The limitations in this bill arise from the philosophy behind the legislation: the belief by this government that contractors should be regulated solely through the Trade Practices Act and be subject to laws designed to apply to corporations and businesses. Why should those 15-year-old employees who worked during the Olympic Games not be

subject to the protections of industrial law but be seen to be caught up in the ambit of laws that apply to businesses and corporations? What a joke. It denies the reality that many independent contractors are earning their income primarily through their own labour. They are not running their own business or making a profit but rather selling their labour to one person. Frequently that income comes just from the one source. In this position they are indistinguishable in practice from the traditional employee—other than that the traditional employee is still bound by a contract of employment that provides rights and protections. It is precisely for these reasons that, to their credit, a number of state jurisdictions have used deeming provisions to extend the traditional worker protections and entitlements to various classes of so-called contractors.

In my own state, the New South Wales act deems certain types of workers to be employees. It includes a range of specific occupations such as cleaners, carpenters, joiners, bricklayers, plumbers and, very importantly, clothing outworkers. As we know, clothing outworkers are one of the most vulnerable groups of workers. It is quite proper that they have been deemed to be employees under IR legislation in New South Wales, Queensland, South Australia and Tasmania. This means that they are entitled to all the benefits which are attached to being an employee, even if they are employed under a contract for service—and more often than not on very low rates of pay and in shocking conditions. The New South Wales government itself believes that if there were not these deeming provisions, there may in fact be a significant degree of inequality in the bargaining power between the worker and the provider of work. That is why some state tribunals also have jurisdiction in relation to the issue of unfair contracts.

The case of owner-drivers in New South Wales highlights the inequality in the bargaining relationship for many contractors and why such protections have been legislated. Unlike the member for O'Connor, who obviously is very happy to see wages driven to the bottom with no minimum protections at all, owner-drivers understand very clearly the inequality in their bargaining power. Owner-drivers are single-vehicle operations, the vast majority of whom perform work exclusively for a single operator, the principal contractor. They are highly dependent upon those with whom they contract. Owner-drivers are price takers in the market. This dependence leads to an inequality in bargaining power and the associated potential for exploitation.

Unlike earlier government speakers, I want to place on record my congratulations to the Transport Workers Union. They have highlighted very effectively in the community the enormous pressures that owner-drivers face, particularly long-haul drivers, in trying to meet the conditions of their contracts of employment—often at great risk to themselves and their families. There is the use of amphetamines in that industry and the consequent risks to safety and safe driving that that poses. Is there anything wrong with the fact that state governments have legislated to protect the interests of people and to ensure that there are some minimum standards that apply to ensure that the bar is not so low that their lives and the safety of others are put at risk? While maintaining existing legislation and protections in New South Wales and Victoria for owner-drivers in this legislation, the government intends to review the situation in 2007. I say to the TWU that I would be very cautious about the efficacy of those protections in view of the comments made by the member for O'Connor in the debate this morning. He made it clear that he and others are urging the government to ac-

cept only a two-year sunset clause on the protections applying to owner-drivers.

At the end of the day we need to realise that sham arrangements have led to huge numbers of people who should be classified and treated as workers, as employees, under an employment contract, but who have had rights and responsibilities transferred from the employer to the worker under sham arrangements to the benefit of the employer at the expense of the individual worker. The bill fails to properly recognise and understand these disguised sham employment arrangements. It denies the reality that many contractors are indistinguishable in practice from employees, though denied the protections that other workers receive through industrial law and regulations.

In conclusion, I oppose this bill and the philosophy behind it which seeks to regulate workers through the trade practices and commercial law. The bill does not properly deal with sham arrangements. The bill will make it easier for an employer to use contract arrangements to avoid their proper and legal employer obligations such as the payment of superannuation, workers compensation and the like, and it will deny large numbers of workers the ability to protect their interests as workers.

**Mrs MARKUS** (Greenway) (11.15 am)—I rise today to speak on the Independent Contractors Bill 2006 and the Workplace Relations Legislation Amendment (Independent Contractors) Bill 2006. One bill is the principal bill. The other makes a number of necessary amendments to the Workplace Relations Act. The two bills have the same outcome—that is, to implement the government's 2004 election commitment to establish legislation for independent contractors. The Productivity Commission estimates that there are between 800,000 and 1.9 million people operating as independent contractors

in this nation. The numbers are growing. People want the freedom to choose their own path in life and, in a modern economy such as Australia's, there should be a dynamic mix of working arrangements.

The Independent Contractors Bill 2006, the principal bill, is the first of its kind. It is the first piece of legislation that acknowledges the independent contractor niche by introducing a stand-alone bill, rather than introducing the reforms in the workplace relations legislation. It is a bill that not only acknowledges but also protects this unique sector of the workforce. It delivers on a 2004 election promise and is another reminder of the Howard government's commitment to remove barriers to opportunity, to reduce red tape and to protect the freedom of choice. Independent contracting is not for everyone, but for the people who work in it—for example, the building and construction industry, the transport industry, which includes owner-drivers, the IT industry, the textile, clothing and footwear industry, the services industry, consultants, couriers and cab drivers—this bill delivers legitimacy, certainty and protection.

Tradespeople and related workers make up the bulk of independent contractors. Independent contractors are generally microbusinesses. The Productivity Commission reports that 27 per cent of all self-employed contractors are trades based. This is particularly true of the building and construction industry, where the bulk of independent contractors work as tradespeople in the housing sector. Professionals make up the second largest group at 18.3 per cent, with production and transport workers and labourers the third highest, at 10.6 per cent. The June 2004 national profile snapshot published by the Australian Bureau of Statistics shows that there are just over three million businesses in Australia. The majority of those businesses are

non-employing—in other words, independent contractors running their own businesses.

In my electorate of Greenway as at June 2004 there were 3,866 small businesses in the construction industry and 1,322 small businesses in the transport and storage industry. For these people, the bills will, in simple terms, clarify the status of independent contracts as a legitimate form of work, protect the freedom of independent contractors to enter into contracts of their choice, preserve existing protections for certain groups—in particular, textile, clothing and footwear outworkers and owner-drivers—provide penalties for employers who seek to avoid their obligations by the practice of sham arrangements and establish a single unfair contracts jurisdiction. The legislation will further develop an industry based voluntary code of practice for the labour hire industry and fund a compliance and education campaign of \$15 million for employers and contractors to inform them of the new arrangements, and it will include specific information on how to make sound contracts. Finally, it will exclude certain state and territory laws which seek to limit the ability of genuine independent contractors to enter into commercial agreements or which seek to draw independent contractors into the net of workplace regulation.

This bill will free up restrictions on entrepreneurship and will create more jobs. Independent contracting is a way of balancing work and family, of building wealth and of providing services in a person's own area of expertise. Between 1998 and 2004, the number of self-employed persons grew by almost a quarter of a million people, by approximately 14 per cent. These are people who have taken the initiative to set up and establish themselves as businesspeople. They are not employees and should not be considered by industrial relations law to be employees. As the honourable member for Menzies, the

Hon. Kevin Andrews, said in this place on 22 June 2006:

Independent contractors are entrepreneurs and, of course, the one-person micro-businesses of today are often the employing small businesses of tomorrow.

People who have chosen to become independent contractors are people who have chosen to work for themselves to gain the benefits and the flexibility that self-employment provides. That choice should be respected.

The term 'independent contractor' generally means a person who offers services on a contractual basis. Contracts are set for a duration and for a set fee for a client, and the contractor controls their own work. The contractor supplies their own entitlements such as insurance and superannuation and pays their own tax. In some instances this could be through a third party, such as a labour hire firm. Under this scenario, the contractor is generally seen as running a business in a commercial enterprise. The bills strongly support the notion that independent contracting should be in the realm of commercial law and that the courts should continue to apply long-established common-law tests to establish the status of the contractor.

The Independent Contractors Bill 2006 and related bill have a number of provisions that are worth noting. The bills acknowledge independent contracting as a legitimate form of contracting for services that fall outside the common understanding of 'an employee'. The bills do not define the term 'independent contractor' beyond its meaning under common law. This provides clarification, certainty and consistency, and it assures people of the freedom of choice to make their own arrangements in respect of their working lives.

The bills do not disturb the definition of 'independent contractor' used by the Aus-

tralian Taxation Office to identify independent contracts, nor does the principal bill's definition of an independent contractor expand beyond its common-law meaning. It does, however, override state provisions which deem certain classes of independent contractors to be employees. It is ridiculous that under some states' deeming laws a bus driver who is an independent contractor can be deemed to be an employee while a taxidriver cannot. A person who works from home is deemed to be an employee, but if they do the same job on business premises they are deemed to be a contractor. A supplier, an installer of window blinds, can be deemed to be an employee but a plumber cannot. They all provide services, yet the deeming laws marginalise these workers.

The deeming laws are a dead hand on entrepreneurship. They choke initiative and relegate people instead of rewarding them. The principal bill, the Independent Contractors Bill 2006, will remove these arbitrary distinctions and free up choice. There will be a three-year transition phase, during which time a fully funded awareness program will be conducted. The funding for this education campaign has been accounted for in the 2006-07 budget.

Of particular interest is the way the bills approach the issue of outworkers and owner-drivers in the transport industry. Australian law recognises two types of outworkers—employee outworkers and outworkers who are independent contractors. Outworkers are considered to be a particularly vulnerable category of worker because of the generally held view that these workers tend to lack bargaining power in relation to their rights and entitlements. According to the Productivity Commission, outworkers are typically women from East Asian background with low English skills and limited formal education. This bill will not override state protections for contract outworkers. When looking



at the challenges of this particularly vulnerable sector, the government has sought to protect all workers in this category by extending existing federal provisions which guarantee minimum remuneration for contract outworkers in Victoria to all contracted textile, clothing and footwear outworkers throughout Australia. This provision will be part of the Australian Fair Pay and Conditions Standard and will cover workers who are not already covered by state or territory legislation.

A similar provision has been included for owner-drivers. There are a number of large transport companies in my electorate who use contractors, as well as a number of individual owner-drivers, and this bill offers both protection and opportunity. The bills will not override protections for owner-drivers in New South Wales and Victoria. This approach will ensure that the status quo remains in these states, pending a review of owner-driver arrangements to be undertaken in 2007. The review will examine the existing state regulation of owner-drivers, with a view to rationalising but not replicating the existing state regulatory arrangements.

All these protections would not be as effective if there were not measures at all levels. Stand-alone solutions help, but unless there is a whole-of-business approach the effect will be muted. This is why the government has also looked at the client end of the equation and has established provisions for unfair contracts and penalties for sham arrangements.

Currently, unfair contract laws suffer from duplication. There are systems in place in New South Wales and Queensland where these matters are dealt with by industrial commissions and the federal jurisdiction, which resides within the courts. Under the new provision, the government will establish a single, national unfair contracts jurisdiction

as far as constitutionally possible. (*Quorum formed*) Such a provision will give a small family business and eligible, incorporated independent contractors access for the first time to the unfair contracts scheme. This means that there will be less delay and expense in dealing with applications to the national unfair contracts scheme.

Importantly, the bills will allow a financial cap to be imposed on unfair contracts claims by regulation, if there is a demonstrated need. Unfortunately, in the commercial world of supply and demand, some clients do not behave with integrity. The incidence of sham contracts where clients seek to avoid their obligations regarding the entitlements to employees does happen, and we need to discourage that practice. The government has recognised the impact that victims of sham contracts suffer and has moved to include substantial penalties in the bills.

The provisions in the Independent Contractors Bill 2006 set a world standard in legitimising independent contractors in their own right. For the first time the status of this sector of the working community is being recognised, with the force of law to create opportunity for this sector and to protect it against unscrupulous operators.

These bills have bipartisan support as both the government and the unions recognise the reality of a modern economy. There is a place for government to stand up for the small businesses in this sector by removing barriers to business and protecting those who are most vulnerable. There is also a place where vested interests can agree on what is in the best interests of this working nation. I commend the bills to the House.

**Mr RIPOLL** (Oxley) (11.32 am)— Before I go through the detail of the Independent Contractors Bill 2006 and cognate bill and what they propose to do, I make the very obvious point that this legislation is

about the government roping in those workers left in the community who as yet have not been directly impacted on by the Work Choices legislation. This is a way for government to rope in those last few workers who are out there either as independent contractors or as employees who would be independent contractors. It also ties in a number of small businesses.

The bill is part of the government's suite of reforms to reduce wages and conditions and to strip away unfair dismissal laws and the protections for workers provided by state based legislation. It is to make life harder. I cannot see any other purpose for the legislation. I have certainly heard nothing from government speakers on the bill that would say to me that there is some good intent in it about protecting workers—whether they are independent contractors or small business people. I have heard nothing about it protecting their wages, their hours of work, their conditions, their entitlements or their superannuation. I have heard nothing about it protecting or enhancing their quality of life at work or the balance between work and family. We do not see any of that in this bill or in any other part of the government's Work Choices legislation.

Speaking about choices, when government members come into the House they cannot help but use the word 'choice'. It is now a meaningless word, thrown up by government members, and means: if you are forced to do something, you are given a choice. My definition of what that word means is according to what the government do. They give you a choice between accepting something or nothing. That is not choice. It is not real choice; it is not choice of any kind.

What this so-called independent contractors legislation will do is leave people out on their own. They are going to be independent,

all right. They are going to be completely on their own, with no protection. There will be no protections under law—no real protections for their wages and conditions, their ability to work, how they work or their hours of work. They will be on their own. That is the message that independent contractors are going to receive from the government when this legislation passes this House.

In an excellent media release, our shadow minister for industrial relations, Stephen Smith, said that these laws amount to nothing more than the Howard government's latest attempt to slash wages and strip away the conditions of working Australians. That is exactly what it does. On the other hand, Labor genuinely supports people who want to start their own business. There is absolute support for workers who want to start their own business and who have the skills and capacity to go out on their own. They should be supported by government. It should not be made more difficult for them with the introduction of legislation such as this.

If the government are trying to create something beneficial for small business and contractors, they are not going to achieve it through this legislation; it will do precisely the opposite. In fact, the legislation will provide more power to the big end of town, the big market players, who have enormous economies of scale and power over their employees. They will start to push people out of the traditional, normal relationship of employee-employer into so-called independent contracting jobs.

You do not have to be Einstein, an industrial genius or someone who fully comprehends all the complexities contained within these laws to understand that, in a normal employer-employee relationship, the employer is bound to carry the burden of superannuation and a whole range of entitlements such as sickness benefits and other things

that workers expect as an entitlement, as a right. They are part of the employment contract. For the productivity that workers provide, they are given in return not only a salary but also some assurances and some protection. They can have a life of their own. They can borrow money for a home loan—of course, these days that is more and more difficult. That is the central theme of the employer-employee relationship.

These proposed laws will fundamentally change that forever. They will push people out into so-called independent contract jobs but, really, all that will happen is that on a Friday afternoon you will finish working for the big company and on Monday morning you will restart with the same company, wearing the same uniform and doing the same job with much the same conditions, except that now you will be deemed to be an independent contractor. That will mean that perhaps you will be paid a little bit more per hour—perhaps not; there is no guarantee of that either because the minimum set by this government is \$12.75 per hour. But as an independent contractor you have to carry the burden of your own superannuation payments and you have to carry the burden of dealing with the Australian Taxation Office. You, the employee, the so-called independent contractor, will have to carry the burden of providing for yourself. You will have to insure yourself so that if you fall sick you are covered in those instances where you may not be able to meet your mortgage payments, which otherwise you might have been able to do had you fallen sick and taken a day off under your normal entitlements.

That is what this legislation does: it pushes people out. It makes their lives less secure and it slashes their wages and conditions. There is no question about that. Nowhere in this bill does it argue against that and nowhere in this bill does it put in place any frameworks, legal or otherwise, that will

protect people. I think that is the disgraceful part about this bill.

As I said earlier on, it is just part of the government's full suite of extreme industrial relations legislation. Just because this legislation is about so-called independent contractors, people should not view it as being any different from the workplace relations bills, acts and laws that the government has put in place. The intent is identical. The intent is about removing rights, entitlements and any balance of power from an employee, a person working for wages, and rebalancing that power in favour of the employer.

I have no beef with employers and good bosses. I have many in my electorate whom I either am friends with or know, and they are excellent employers and excellent companies. They do the right thing not only by the economy and the region in which they operate but also by their employees because they understand the importance of a solid employer-employee relationship. They understand productivity gains and growth; they understand what makes this country great. They understand why we do enjoy today a good, strong economy, although that is turning very fast and is questionable under the leadership of this government. They understand that it is because there are workers out there, working hard. There are people out there being productive, efficient and globally competitive.

Does this bill propose to enhance that in any way? No, it doesn't. Does this bill actually propose in any way to put forward legislation that would improve productivity? Productivity is the key to growth and growth is the key to employment. That is how we manage to maintain our living standards in this country and the quality of life that we so enjoy. But these are fragile qualities that can turn and change, and we are seeing that now. We are seeing 10 years of dereliction of re-

sponsibility by this government. We are seeing now, 10 years after inheriting a great economy, a growing economy, 10 years of dereliction starting to turn things. We are starting to see underlying inflation on the rise. That will cause some massive problems.

We are starting to see interest rates rise. You often hear the government talk about interest rates—they used to talk about interest rates but they are a bit more ashamed to talk about interest rates these days; they are a bit more quiet—of six per cent. Supposedly, six per cent is low. It is low as a number, but it is very high when compared with the rest of the world. Interest rates always need to be looked at in global terms because it is the cost of money. How much does it cost to borrow money? What is money worth? In global terms six per cent in Australia is very expensive. You do not have to look any further than the families around the kitchen tables in Australia right now who are doing their sums on the supposedly low interest rates and realising that they cannot afford them anymore. They realise they are struggling. Another quarter of a percent, that tiny little bit, may be the straw that breaks the camel's back in terms of people being able to afford their mortgage interest payments.

No more evidence was needed than the Reserve Bank of Australia this week confirming what we have known for some time: it is more expensive to pay interest payments today as a proportion of your income than it was to pay 17 per cent back in 1989. Some people say, 'Wow! I can't believe that. I didn't know that.' The evidence is there: it is more expensive today. That is the real cost to families.

This legislation does nothing to serve anybody. Interestingly, if you look at the Productivity Commission report done on employment surveys, and which has specific data about independent contractors, you see

that over recent years there have been between 750,000 and about 900,000 independent contractors in the data for how many people are in those types of employment arrangements. That number is starting to climb very high. It is now closer to 1.9 million employees deemed to be independent contractors, and it could possibly be well over the two million mark in 2006. These are figures for 2004.

Is that a good thing for Australia, is that a good thing for independent contractors, and is that a good thing for workers? I suspect that for many it is, because they are people who are in genuinely independent contract type arrangements where they basically run a small business. They are their own small business. They are an independent, sole operator type of small business. But I think the larger extent of this growth in the numbers is a case of people being pushed out of their traditional contract of employment and onto one-off, flat rate fees, onto the labour only types of contracts.

Is that good? I think it will be detrimental for a lot of people. We have only to look at a number of categories—for instance, owner-drivers, in particular, and taxidrivers. There is a whole range of people who struggle with that halfway house in their employment status: what they are deemed to be under law, particularly tax law and what they can claim, and what they actually are under federal law. This legislation will only further confuse independent contractors and workers. It will further blur the lines between people who deserve a fair go in terms of having proper wages, conditions and protection and people who will be marginalised—people who already struggle, people who are not wealthy, people who are at the lower end of the wage scale who, under these proposed laws, will come under this category of independent contractor and who are in reality nothing at

all like a true independent contractor. There are plenty of incidents that demonstrate this.

Definition is really important here and a common-law test will be applied. Who is defined as an 'independent contractor'? Certainly a person who has a degree of control over their own work would in my book be an independent contractor. In many cases, that will not be the case under this legislation and it will not be the case for many people who are deemed to be an independent contractor. Also, workers who are wearing the uniform of the company will finish work on Friday as an employee and start on Monday as an independent contractor, wearing the same uniform, driving the same truck and doing exactly the same work. They will be left to fend for themselves, thrown out in the cold and may be told: 'You have this warm fuzzy feeling inside and you can call yourself an independent contractor. You are a small business person, but you will earn less money and have the burden of extra work. You have to work more hours because you are under a contract to deliver a particular type of product, under a certain set of conditions and for a set amount of money. You have to work harder. You just work a lot harder for the same money, if not less.' Independent contractors will have to provide their own vehicle, tools and equipment—all of the things that you would not expect an employee to supply—where previously the company would have provided the tools and machinery, whatever was needed to carry out the work. So there is a range of issues concerning definition. I think that is going to be a huge problem and cause a great deal of confusion, worst of all meaning that a lot of people are going to be exploited. People will be exploited under these laws because they will not understand where they fit in the legal framework.

What is even more confusing is that the state governments provide, under their indus-

trial relations laws, specific deeming of categories of workers so that they are protected. You would think we would protect people from unscrupulous employers, but we need to protect them from unscrupulous federal governments such as this government. There will be some problems where federal legislation overrides state based industrial laws. That is a great shame because state based laws provide protection for workers and an understanding of the difference between a real independent contractor and an employee and the benefits that that carries. I mentioned earlier but I will mention again the relationship with the Australian Taxation Office, because of rules for personal services income: what type of person are they under law and how can they deal with their tax affairs? If you are a small business person you really do come under a different category with a range of claimable deductions and ways you can organise your business. You could split income between partners in the business or with your spouse or family, depending on how you arrange your business.

An independent contractor, you would imagine, would be protected under this legislation and there would be some clarity about how they could organise their business; but the reality is that that is not the case in this legislation. Most people will find that they come under the pay-as-you-go tax arrangement. In tax law, PAYG people are employees. So with that warm fuzzy feeling, which I talked about earlier, the boss might tell you: 'Now you're an independent contractor. You have all these new-found freedoms and powers. You're just going to get a heap less money and the tax office will still deem you to be an employee. You'll have no other benefits, no rights. You'll have to pay for your own super and make sure you never get sick. And when we do not like you anymore, because no unfair dismissal laws apply to independent contractors, the only recourse

you will have will be to go to court at huge expense.' That is something that these people could not afford to do. So there is a minefield of legal problems and entitlement problems for people who are going to be missing out completely.

Unfortunately, this will override state powers and provisions that protect workers such as milk vendors, cleaners, carpenters, joiners, bricklayers, painters, bread vendors, outworkers in the TCF industries—who are particularly exploited workers—who need all the protections that can be afforded them by the federal government, by state governments and by the courts. Those people will be the losers from this legislation. Timber cutters and suppliers, plumbers, drainers, plasterers, blind fitters, council swimming centre managers, supervisors, truck drivers, lorry drivers—a whole range of people who would traditionally work for an employer will be pushed out to do it on their own as an independent contractor.

If the employer or the contractee rather than the contractor—there is no longer an employer as such—decides that they no longer require your services, they will just terminate the contract. There are no unfair dismissal provisions and the fact that the contract may have been unfair in the first instance will have no bearing. To deal with that you would have to get help from legal experts. There will not be a heap of avenues to pursue. There certainly will not be any protection. While there is provision in this bill to deal with those issues and there will be fines for exploiting people, when you get down to the practical nature of how these things work, independent contractors are not going to have the access to that knowledge or the capacity to use it. It is not their role. It is not what they are about. A milk vendor is not going to be arguing the underlying unfairness of the contract for milk deliveries. Their job is to deliver milk, not to be a legal

expert. They are not going to have the finances either to go to court, nor should they have to, nor should the burden be on them to prove their case. The few safeguards in this legislation are weighted heavily in favour of the contractee and will do very little to protect independent contractors. Unfair contracts will be another blow to ordinary people trying to remedy any cases where there is wrongdoing in place.

Currently outworkers are deemed to be employees, and this is very important in terms of the relationship between the federal legislation and the state industrial legislation. Outworkers are deemed to be employees regardless of whether or not they are an independent contractor, to afford them the protection they deserve. This will be undermined by this bill.

This bill does nothing to help workers or independent contractors. This government says to people, 'You are on your own.' There will be no support and no protection. You will get bare minimum pay. Your entitlements will go.' Nobody is going to be fooled by this, certainly not independent contractors when they have a closer look at their finances at the end of the month or at the end of the year. This legislation is a disgrace. (*Time expired*)

**Mr HENRY** (Hasluck) (11.52 am)—Listening to the member for Oxley and, earlier, to his colleague the member for Throsby, there is no doubt the Independent Contractors Bill 2006 is a bill which goes to the heart of the political division in this country. This bill is about enshrining the rights of the individual to work under conditions of their own choice without governments or unions imposing limits and constraints on their freedom to contract—something that is opposed by the member for Oxley and his Labor Party colleagues.

This bill demonstrates the coalition's commitment to freedom of choice in the workplace and that long-held Liberal ideal of encouraging entrepreneurship, self-reliance and self-sufficiency. I quote the Prime Minister from his first parliamentary speech:

... Australia built on deep respect for the individual ... The right to succeed, to accept responsibility, to work harder if they wish and to be rewarded for it. The individual's success is the community's success ...

To reiterate: the purpose of this bill is to preserve and guarantee for Australian workers the freedom to contract, the freedom to operate as a genuine independent contractor and the freedom to engage work through on-hire arrangements.

The Labor Party are not interested in freedom of choice, and this is demonstrated by their support for and by the union movement, where 'no ticket, no start' is the catchcry and workers do not even get to choose which union they join. More telling perhaps than coalition support for this bill is Labor's opposition at the state and federal level, where they demonstrate their commitment only to the power, prestige and wealth of the union movement—not for the benefit of workers of this country; rather, for their own base political purposes.

Workers in Australia are voting with their feet. Australians are abandoning the union movement. There are now more independent contractors in our workforce than there are union members. This is a huge concern for the Labor Party. The good news for workers in our national economy is that people are choosing—in fact, they prefer—to work outside the traditional employment framework. This means that our labour force is more flexible, more responsive and better able to react to and satisfy the needs of consumers.

Independent contractors are an important part of our modern, dynamic Australian

workforce. Trade unions, therefore the Labor Party, are fundamentally opposed to independent contractors, although I note that some unions have independent contractors as members, perhaps in opposition to their constitution. Independent contractors are not interested in joining unions. The unions have used any means possible, from industrial tactics to political manipulation of all too willing state Labor governments, to force independent contractors into the traditional industrial relations systems. I agree with Minister Andrews that the current complex and competing state and federal systems allow far too much interference by third parties in what are essentially private commercial business arrangements. We have already started moving towards this under Work Choices, which prevents federal awards and agreements from restricting the use of independent contractors or labour hire workers, for example preventing businesses from engaging workers outside award arrangements.

I read with particular interest the Department of Employment and Workplace Relations discussion paper on independent contracting which was put out last year, and I endorse much of what was said. It was pointed out in that paper that independent contracting arrangements have a very real benefit for contractors, employers and the economy as a whole, which include employment opportunities. Often a significant proportion of an employer's total labour resources will not be required all the time. Contracting allows flexibility, it reduces the need for excessive overtime in busy periods and it reduces labour hoarding. Contracting can also give employers the flexibility to address processes more quickly, which provides greater scope for developing improved ways of doing things. It also allows for more flexible labour use, particularly where job descriptions have become fixed by excessive detail and rigidity. Contractors themselves

can benefit from specialisation in particular areas and activities where an employer is not able to do so. Our economy is made more efficient and flexible when people are able to start up small businesses, to respond to rapidly emerging opportunities and to meet the demands of consumers more effectively.

I have a particular interest in this bill. My electorate of Hasluck is home to many independent contractors—hardworking individuals who have made the choice to work for themselves. They want the flexibility; they want the independence of being self-employed. I have received many representations from these constituents, who are very concerned to preserve and protect their rights as independent contractors. I spent nearly 20 years of my life representing businesspeople in the plumbing and painting industries—mainly self-employed workers who valued their independence and the flexibility offered through independent contracting arrangements. I know the value of these workers to our economy and in our community but, most importantly, I know that their choices and their freedom to operate as independent contractors should be respected and not over-ridden by Labor governments and unions.

I have worked for myself for a good part of my working life. I started my first contracting business as an 18-year-old in rural Australia and then I worked for many years in the building and construction industry. As a member of the House of Representatives Standing Committee on Employment, Workplace Relations and Workforce Participation, I was proud to contribute to the very detailed inquiry report *Making it work*, which was tabled in this place one year ago. Submissions were received from every state and territory, and I am pleased to see almost all the recommendations of the committee enshrined in the legislation before us today.

The Independent Contractors Bill seeks to enshrine in legislation the rights of individuals in this country to contract their services for payment without being deemed to be employees. It upholds the principle that independent contracting arrangements should be governed by commercial law, not industrial law. Why are the Labor Party so keen to summarily deem independent contractors to be employees? Why are they disregarding the rights and choices of so many Australian workers?

Independent contractors make up 28 per cent of the private sector workforce in Australia, or nearly two million workers. Labor have a particular interest in ensuring that this number does not grow and that the advantages of working as an independent contractor are reduced to nothing, because every worker who chooses to be an independent contractor is one fewer potential member for unions. The bill enables these people to be self-reliant and to not be reduced to a number—the lowest common denominator in a collective of mediocrity such as the union and labour movements in this country. Labor will do anything to help their union mates, including trampling over the rights and individual aspirations of Australian workers.

The Independent Contractors Bill 2006 and the Workplace Relations Legislation Amendment (Independent Contractors) Bill 2006 make use of constitutional heads of power—in particular, the corporations power—to override certain provisions of state legislation which restrict the use of independent contractors. This fulfils the Howard government's promise, made prior to the 2004 election, to protect the right of individual independent contractors throughout Australia to enter into contracts of their choice, and to preserve independent contracting as a legitimate form of work.



For the information of the member for Hotham, these bills deliberately do not seek to define the terms ‘independent contractor’ and ‘employee’ other than to reaffirm that they should hold their common-law definitions. The common law has evolved over hundreds of years and has developed complex and exacting legal tests to identify and determine employment status. These tests take into account the entirety of an individual’s circumstances and cannot be meaningfully replicated in legislation.

*Mr Crean interjecting—*

**Mr HENRY**—It is typical that the member for Hotham wants to regulate and define everything so that you cannot move outside of it. As I said a little while ago, he wants to reduce everything to the lowest common denominator—a level of mediocrity that most Australians do not want anymore. They do not want the labour movement representing them, defining them or telling them who they are or what they can do. You need to move on.

This approach was recommended in the committee’s report *Making it work*—and I support the retention of the common-law definitions. A distinction between employees and independent contractors has been made in common law for a very long time. A subtle distinction is that employees are engaged under a contract ‘of’ service whereas a contractor is engaged under a contract ‘for’ service. This essentially semantic distinction is the expression of a range of common-law tests which take into account the totality of the relationship between the two contracting parties. The matters considered range from the level of direction provided by the employer to whether the employee or contractor provides their own tools. The tests are most clearly set out in the Australian common law in the High Court cases of *Hollis v Vabu Pty*

*Ltd* and *Stevens v Broadribb Sawmilling Company*.

I noted that, in his second reading speech and in the text of the bill, the minister has not implemented the committee’s recommendation to include some elements of the tests used by the Australian Taxation Office to determine independent contractor employment status. The ATO requires that some independent contractors be taxed as though they were employees. However, independent contractors will not be taxed as employees if they are found to be running a personal services business, as defined by the ATO. While I agree with the minister that the test used by the ATO is a self-assessment, is easily manipulated, was developed to address tax issues and is much narrower than the common-law tests, I still believe some measure of consistency between employment status for the purpose of contracts, industrial rights and taxation can and should be achieved.

The Howard government is enshrining the rights and protections in separate legislation in recognition—

*Mr Crean interjecting—*

**Mr HENRY**—I am glad to see the member for Hotham agrees with that—

*Mr Crean interjecting—*

**The DEPUTY SPEAKER (Mr Wilkie)**—Order! I remind honourable members that it is inappropriate to interject and to respond to interjections.

**Mr HENRY**—My apologies, Mr Deputy Speaker. The Howard government is enshrining the rights and protections in separate legislation in recognition of the importance of independent contractors in our economy. The decision to not merely include these provisions in the Workplace Relations Act reflects the independent and commercial nature of these contracts, clearly setting them apart from industrial law.

This legislation is important to introduce consistency across state borders and to remove barriers imposed by state Labor governments. The legislation will remove the state governments' deeming provisions—which are arbitrary in nature, deeming some independent contractors to be employees and others to be contractors, often without any underlying logic. This has led to some absurd situations such as independent contractors who drive buses being deemed to be employees whereas taxidriviers are not. In my home state of Western Australia, the state government has been seeking to effectively deem independent contractors through its industrial relations legislation by expanding the definition of 'employee' to include, for example, outworkers, labour hire workers and contract cleaners. In Queensland, section 275 of the Industrial Relations Act 1999—

**Ms King**—Mr Deputy Speaker, I draw your attention to the state of the House.

*The bells having been rung—*

**The DEPUTY SPEAKER (Mr Wilkie)**—Order! A quorum not being present, the chair will be vacated for 10 minutes and the sitting will be resumed after that time.

**Sitting suspended from 12.05 pm to 12.19 pm**

*The House having been counted and a quorum being present—*

**Mr HENRY**—As I was saying earlier, section 275 of the Queensland Industrial Relations Act 1999 gives the Queensland Industrial Relations Commission the power to declare persons who work under a contract for service to be an employee—a great example of what I have been talking about in terms of Labor governments responding to their union mates and taking away incentives for, and the aspirations of, individuals to be self-employed and taking away the freedom and the choice to be so. It is worth repeating that

every worker who chooses to be an independent contractor is one fewer potential union member. Our legislation enables such people to have their own individuality, be self-reliant and not be reduced to a number—the lowest common denominator in a collective of mediocrity such as the unions and labour movement in this country.

The Workplace Relations Legislation Amendment (Independent Contractors) Bill 2006 allows penalties to be imposed on employers who try to avoid their obligations under employment law by disguising their employees as independent contractors or who coerce their employees to become independent contractors. The penalties in this bill for so-called 'sham' contracting are harsh, sending a clear message to unscrupulous employers that this behaviour will not be tolerated. These protections address our responsibilities under international law through International Labour Organisation conventions with regard to disguised employment. Independent Contractors of Australia believe that the independent contractors bill is consistent with and reflects ILO recommendations. In fact, in their commentary on the bill, ICA said the bill 'applies a highly robust process for combating disguised employment relationships'.

The prosecution of employers and employees who misuse independent contracting arrangements is important to preserve the integrity of independent contractors nationwide. There is no doubt that unscrupulous employers may occasionally attempt to coerce employees into sham independent contracting arrangements for whatever reason, and this bill take steps to ensure that those employers are dealt with and that effective deterrents exist to help prevent such behaviour.

One of the groundbreaking elements of this legislation is the introduction of a single

nationwide unfair contracts jurisdiction. Existing federal unfair contract provisions will be moved from the Workplace Relations Act to the independent contractors bill. This is a more appropriate approach, given these provisions relate to commercial contracts rather than industrial agreements. State unfair contract jurisdictions will be overridden wherever possible using the corporations powers. These bills, along with the Work Choices legislation, ensure the flexibility and responsiveness of Australia's labour market and thereby strengthen our economy. (*Time expired*)

**Mr CREAN** (Hotham) (12.23 pm)—I think we have just seen during the honourable member's contribution the contempt that the government holds for this parliament—a government that could not provide a quorum when it was called, a government that will not provide speakers in key debates in this place. You would not have thought there was a more important issue out there in the Australian public than petrol prices, yet the government could manage only three speakers on that bill—three government speakers to 23 speakers on this side. You would have thought the increased deployment of troops to Afghanistan was an important, serious national issue. The government was able to scrape only one speaker—

*Mr Pearce interjecting—*

**Mr Hunt**—It was a good speech though, let me say!

**Mr CREAN**—It may well have been a worthy contribution, but there are not worthy contributors joining you. Yesterday, of course, we saw that outrageous abuse in question time, particularly by the Leader of the House. We felt that the government should be held to account. We could not call quorums yesterday because there were no people speaking on the government's side in

any debate that we conducted! And that is why we have had the quorum called today.

This is an important focus for legislation. Labor opposes the Independent Contractors Bill 2006 and the Workplace Relations Legislation Amendment (Independent Contractors) Bill 2006 before us because, under the guise of protecting contractors—which I happen to believe is a worthy objective—the legislation in fact does the opposite. The bills strip away the rights and protections of Australian workers and the nature of the workplace. The Australian workplace is changing and we do have to acknowledge that. There has been a huge increase in the number of contractors and independent workers. We recognise this as an essential development in terms of our evolving economy and the calls for greater flexibility and diversity in the way in which people perform their jobs.

It is ironic that this government purports to be the champion of small business, of the contractor, of the entrepreneur, but, oddly, this legislation does nothing to protect them or to benefit them. In fact it strips away those protections which are indeed now afforded by state legislation. The truth of it is that only Labor will protect the rights of individual workers, whether they are regarded as traditional employees or as independent workers. We believe that contractual arrangements and non-traditional or non-standard work practices should meet a fairness test and should recognise the central role of work in most Australians' quality of life. These contractual arrangements should not be supported where they undermine the employment relationship and such basic entitlements as the right to bargain collectively, the right to fair and decent wages and conditions, the right to be free of harassment or discrimination, the right to proper training to perform the work required as well as, of course, the right to appropriate occupational health and safety standards.

These bills are another step down the road to stripping Australian workers of their rights and of their protections. It makes it easier under this legislation to regard an employee as a contractor and so take away those basic entitlements. The bills purport to protect independent contractors but in fact do no such thing. It is another example of the government's doublespeak. Just as it argues its industrial relations legislation is about work choices, it in fact offers no choice. If the employer is not prepared or willing to bargain collectively, that is the end of the matter. That is the end of collective bargaining in this country—at the whim of the employer. It re-weights the system in favour of the employer. This legislation does likewise in relation to contractors: it re-weights it in favour of the person they are contracted to.

This legislation is driven by ideology—not by good management practices, not by fairness, not by the standards for a civilised society. It is driven by the blind belief of this government in working solely to a free market as distinct from recognising collective responsibilities. We understand better than anyone in this place the importance of getting that balance right. It is what the labour movement has striven for in terms of opening up its relationship with employers to try to find the appropriate balance to drive productivity and to drive profit but to distribute fairly and to not have people exploited. There is a place for both approaches, but this government is driven by its hatred for unions. I was surprised to hear the previous member's denigration of unions, given the great contribution that they have made to this country over many periods of our history. It is about pushing industrial relations to the extreme to re-weight the system. The government has done it in the Work Choices legislation; it is now doing it in the Independent Contractors Bill 2006 and the amendment to the Workplace Relations Act.

To understand how this issue regarding contractors has emerged within the workforce, I remind the House of a dispute that occurred last year. It involved my old union, as a matter of interest, and a company called Kemalex. Just when the workers were negotiating a new enterprise agreement, back in April last year, the company told the union that any new workers would be treated as independent contractors. The fact is these new employees were, in every way, workers—factory production line workers on minimal wages, with hours and duties all dictated by the company. They had a workforce that previously were treated as employees, but new employees, doing exactly the same thing, following the same commands and the same orders, were going to be called independent contractors. As independent contractors they would have to get an ABN and they would lose their rights to sick leave, annual leave, long service leave et cetera. They were mostly migrant women. The point here is that the company tried to categorise employees as contractors, when clearly they were not.

There was a lengthy dispute associated with that company. I think the company has simply pulled up stumps and moved to another state to avoid the circumstances. But the fact of the matter is that this legislation before us today will make it even easier for the employer to redefine his employment relationship. What is fair about that? Why should an employee who has given long and loyal service to the company wake up one day and be told, 'You're no longer an employee; you are an independent contractor, but we want you to do exactly the same functions as you were doing before.' We have to get certainty into the system.

Interestingly, this issue of the burgeoning growth of independent contractors and of labour hire companies has been the subject of important parliamentary inquiry and scru-

tiny. The House of Representatives Standing Committee on Employment, Workplace Relations and Workforce Participation—of which the member for Hasluck, who preceded me in this debate, is a member—reported on 17 August in an important document called *Making it work*. It was an inquiry into independent contractors and labour hire arrangements. The Senate Employment, Workplace Relations and Education Legislation Committee is also inquiring into this bill. It begs the question: why are we debating this bill now before that inquiry reports?

Unlike the member for Hasluck's assertion, it is not correct to assert that the recommendations of his House of Representatives committee have all been adopted. They have not. There was a dissenting report of that committee—and I will come to aspects of that in a moment—but there were aspects of the report, some 16 recommendations, which received unanimous endorsement. One of those went to an attempt to further define 'independent contractor' beyond the common law to pick up elements of the taxation definition that the member for Hasluck referred to. Why do we not have in this legislation some attempt to define or codify what constitutes an independent contractor? If we accept that it is important to have legislation covering independent contractors in recognition of the emerging workforce development, why shouldn't we as a parliament seek to define what we are talking about? That is what legislation is. It is not a question of hamstringing people; it is about giving clarity to the circumstance, giving certainty so that these sham arrangements—an example of which I have referred to already—cannot happen.

Interestingly, recommendations 2 and 3 of that House of Representatives committee have not been adopted in this legislation. I go further, because I think it makes common

sense that we seek to define the distinction between running one's own business and working for someone else. I think it is a terribly important distinction and differentiation to make in our workplace arrangements not only for the purposes of the commercial activity but for the purposes of people's entitlements and protections. Different laws do apply in different circumstances. Whether a person works as an independent contractor or as an employee, particularly an independent contractor for one employer, why shouldn't that person be entitled to the same rights and conditions as though that person were an employee? It is about attempting to get clarity in definitional terms so that those protections can be afforded so that we know the employment circumstance or otherwise that we are talking about.

This legislation has two important flaws: first, its reliance on the common-law definition of independent contractor to define the services contract and, second, its overriding of the deeming provisions contained within state and territory industrial relations legislation. This uncertain definition comes about because of the circumstances in which we seek to ascertain whether a person is working as an employee—in other words, working to a contract of service or working as a contractor, whereby they provide a contract for services to produce an agreed result. That is the conceptual differentiation in this; it has been recognised in the common law.

The trouble is that this is a definition that increasingly has become blurred. I might say that this legislation will blur it even more. The result of that is that we often get seemingly arbitrary and unpredictable outcomes. The view has been advanced that the real problem with the judicial approach—that is, just leaving it to the courts rather than to the parliament; and why should the parliament not have a view on these things—is that it enables one or both of the parties in a work

relationship, and usually it is the employer, to evade obligations that would otherwise be imposed by awards and statutes. As Breen Creighton and Andrew Stewart put it, and I quote them because this is relevant:

There is nothing wrong in principle with allowing the parties to categorise their contractual arrangements as they choose. But in many cases it is only the “employer” who both understands the nature and effect of the arrangement, and stands to gain from it.

In other words, in leaving it to the courts you put more power in the hands of the person who has access to resources and legal advice and a strategic view as to what they want to get from tipping the arrangement in their favour. It re-weights the system in their favour. This is another example of the inequality of the bargaining power between the employer and the employee. Creighton and Stewart go on to say:

The advantages accruing to a worker who “freely” agrees to a non-employment arrangement are often illusory. While it may in some circumstances be possible to earn more as a contractor than as an employee, and even to reap certain tax advantages, it is important not to underestimate the real value of the statutory and award benefits foregone.

The point I am making is that the employer is better placed to understand the legal and financial significance of the status of the employee, usually to the employer’s advantage. This bill makes no attempt to codify or define the relationship. It does not provide any certainty and it is part of a strategy to make it easier to strip away people’s basic entitlements. The House of Representatives *Making it work* report recommended that the government maintain the common-law approach but that it should adopt aspects of income tax law—a point conceded even by the member for Hasluck when he made his contribution; and it ought to have been, because he agreed with it in this unanimous recommendation—

such as the alienation of personal services income tests to identify independent contractors. If it is appropriate to have it applied for taxation purposes, why not start to pick it up for the purposes of identifying tests that determine whether or not a person is an employee or a contractor? It should not be difficult to codify that which the common law has spelled out by way of tests. I think it is important for the parliament to try to do that.

The other flaw in this legislation is that, this legislation aside and the common-law uncertainties taken into account, there has been in state and territory legislation the realisation that some attempt has to be made to define. And so we have state and territory legislation that does what is called deeming—it deems certain people to be employees. These are the deeming provisions. That does give certainty in those jurisdictions. But what does this legislation do? It overrides it. So, where a state has taken steps to bring certainty and clarity, this legislation will override it. This legislation has the effect of overriding state law deeming such contractors to be employees, with the consequent denial of access for them to the protections provided by state industrial relations laws. So, where the states have attempted to define and codify, this bill overrides them. The government wants to provide clarity but it ignores the common-law tests and an attempt to codify it. It ignores the taxation test, despite the unanimous recommendations of the House of Representatives committee, and it overrides state legislation.

This bill should be withdrawn. It is an inadequate response to a very important issue. We believe that the consideration by the House of Representatives committee, as well as by the Senate, should be allowed to proceed before we go further with this bill. I suggest to this government that it withdraw the legislation and that it talk with the opposition about how we can get clarity; that is

important for all those in the equation. It is important not just for employers but also for people—and for their entitlements and for clarity and certainty within the system.

**Mr SLIPPER** (Fisher) (12.43 pm)—I would like to say at the outset that every so often there is a debate in the parliament and both sides of politics take different positions. The Labor Party here appears to be going back to the old concepts of class warfare of the 1890s. The member for Hotham is no doubt speaking from the heart, but the reality is that the Labor Party is so completely out of touch with modern working arrangements in Australia that we have heard a troglodytic speech from the honourable member for Hotham.

The government made an election commitment in 2004 to introduce separate legislation governing independent contractors and on-hire arrangements. One only has to cast one's mind back about 10 years to see that the Labor Party made a whole series of promises prior to getting elected and then broke those promises. We in government deliver on our election commitments. We place a high level of priority on keeping faith with the Australian people. Prior to the 2004 election the government said that, were we to be re-elected at that poll, legislation similar to the legislation currently before the House would be placed on the statute books by this government. The government's proposal of the Independent Contractors Bill 2006 indicates that we want to clarify, make certain and protect the status of independent contractors in order to provide for certainty and choice for a significant number of Australians who are working in fields as diverse as housing construction, transport and information technology.

It is simply a fact that more than one million independent contractors are currently in the Australian workforce. This government

and, indeed, this parliament would be entirely neglecting our collective responsibility if we did not bring in legislation to recognise that people today are no longer working under the old working arrangements. This government—and I am sorry to hear that the opposition does not—respects the rights of genuine independent contractors to manage their own affairs and enter into their own agreements with their clients if that is their preference, just as it respects the rights of employees to be accorded the relevant legal protections. Independent contractors are a crucial component of a modern economy and of a modern, flexible labour force. One would have thought that was an axiom, yet one has to be disturbed by a situation where the Labor Party is opposing this legislation. It is as though it is seeking to make sure that independent contractors are no longer able to run their own businesses, as they do, and ought to in effect become employees once again.

The government wants to protect through this legislation the freedom to contract, the freedom to operate as a genuine independent contractor and the freedom to engage work through on-hire arrangements. The government's proposal for an independent contractors bill is intended to clarify and protect the status of independent contractors to provide for certainty and choice. The Labor Party, through weasel words, is seeking to have this legislation withdrawn. What it would really like is for it to be mandatory that independent contractors be employed as workers in the future. That is unacceptable.

Honourable members who have looked at the *Notice Paper* would be aware that there are two bills: the principal bill and a bill amending the Workplace Relations Act 1996. The principal bill recognises and protects the unique position of independent contractors in the Australian workplace by supporting their freedom to enter into arrangements outside

the framework of workplace relations laws. This outcome will be achieved in a number of ways—that is, by excluding certain state and territory laws which seek to limit the ability of genuine independent contractors to enter into commercial arrangements or which seek to draw independent contractors into the net of workplace relations regulation, by providing a transitional scheme for workers deemed by state or territory laws to be employees and by providing a national services contract review mechanism for independent contractors.

Again, the Labor Party would want you to believe that this government has no respect for the rights of workers, but the bill retains under state legislation protections for contracted outworkers in the TCF industry. In addition, where contracted TCF outworkers are not covered by a law providing for some form of minimum remuneration, they will be covered by the wages guarantee in the Australian Fair Pay and Conditions Standard. The principal bill will only exclude state and territory laws with respect to workplace relations matters. Despite what some opposition luminaries have suggested, the bill will not interfere with non-workplace relations matters in state or territory laws. These matters include taxation, workers compensation, occupational health and safety and superannuation and go to any definition of an employee for those matters. (*Quorum formed*) As I was saying before I was interrupted by the honourable member for Ballarat, who was wasting time of the House by calling for a quorum, the amendment bill will complement the principal bill by prohibiting sham contracting arrangements, where employers seek to disguise the employer-employee relationship as an independent contracting relationship and thereby avoid the legal entitlements that are due to employees.

In his speech the member for Hotham seemed to be saying that the government was

riding roughshod over the rights of workers. This government is seeking a balanced approach; it is seeking to implement an election promise. The amendment bill will: insert a new part into the Workplace Relations Act 1996 that prohibits sham employment arrangements and provides penalties where sham arrangements do occur; make consequential and transitional amendments relating to textile, clothing and footwear outworkers; and provide consequential amendments relating to unfair contracts in the Workplace Relations Act and the Building and Construction Industry Improvement Act 2005.

The incidence of independent contractor arrangements is becoming substantially more significant. I mentioned a figure of more than one million independent contractors. Actually, estimates of the number of independent contractors in Australia range up to 1.9 million. It could well be that up to 19 per cent of Australian workers are independent contractors.

The Labor Party gets concerned because people are voting with their feet and walking away from union membership. While unions might well have played a very important role 100 years ago, today unions have become insufficiently focused on positive outcomes for workers and have been playing politics and ideology, with the net result that, unless people are forced by circumstance to join a union, generally speaking they believe that their union membership fee would be better used if it remained in their pocket. That is why, particularly in the private sector, the proportion of union membership has dropped below 20 per cent. That is an ongoing situation. Given their connection with the Labor Party and given their significant control over the Labor Party both now and historically, the unions are quite desperate. Every so often you find the Labor Party comes into the parliament and essentially acts as the mouth-



piece for the union movement. The speech by the honourable member for Hotham is an indication that that old ideology held by the trade union movement and the Labor Party is not dead but ongoing. That is the situation. The Labor Party is proving itself to be irrelevant and once again shows itself to be a party of the unions—controlled by the unions and operating for the unions. That is a matter of some concern.

There are a number of provisions in the bills. There is a definition of an independent contractor. In the principal bill this definition is not broadened beyond its common-law meaning, and courts will look at the whole of the relationship between the parties and consider a range of indicia, such as the control of the worker over the work, economic independence and the description of the relationship in a contract. The opposition would have us believe that sham arrangements, whereby people who for all intents and purposes are employees will be deemed to be independent contractors, will continue to occur. I am pleased to be able to assure the honourable member for Hotham and those opposite that the definition of independent contractor in the principal bill is not expanded beyond its common-law meaning. So any concerns that people might have through the scaremongering tactics of the opposition in relation to this matter are entirely lacking in validity.

The indicia that courts are required to consider under the common-law test include the degree of control the worker has over the work and the degree to which the worker is integrated into and treated as part of the principal's enterprise. For example, if the employer wears the principal's uniform and represents the principal's enterprise to the public, this supports the worker being found to be an employee. Another matter to be looked at is whether the worker is making a significant capital contribution—such as us-

ing his or her own motor vehicle or carrying the maintenance and the running cost—to the enterprise. Also relevant is how the principal pays the worker. For example, payment by results supports a finding that a worker is an independent contractor, whereas payment on an hourly basis supports a finding that a worker is an employee.

Other factors to be considered are whether the worker has an obligation to work and the provision of leave, superannuation or other entitlements. These entitlements usually only apply in employment situations. The place of work is another factor. If the worker works at his or her own premises, this supports the worker being found to be an independent contractor. Other relevant considerations are whether the worker has the right to delegate work to others, whether income tax is deducted from the worker's pay by the principal, whether the worker provides similar services to the general public, whether there is any scope for the worker to bargain for his or her remuneration, whether the worker is providing skilled labour or labour that requires special qualifications—if so, this supports a finding that the worker is an independent contractor—and whether the issue of deterrence of future harm arises, for example where the principal is in a position to reduce accidents by efficient organisation and supervision. This may support a finding that a worker is an employee.

I am pleased to reassure the honourable member for Hotham that the court will determine the appropriate weight to be attributed to the indicia depending on the circumstances of the case and then come to a considered conclusion about whether the worker is an employee or an independent contractor. The government's policy position is that genuine independent contractors should be governed not by industrial law but by commercial law—because they are not employees, that is the appropriate way to go. As they

are independent contractors they are running their own business and work under commercial and not employment contracts.

This legislation is not extreme. It is fair and reasonable and reflects the workplace situation of 2006. It recognises that up to 18 per cent of working people are in fact operating as independent contractors. A government which did not legislate to protect and entrench the position of up to 1.9 million Australians is a government which would be failing in its responsibility to the Australian people.

These bills are strongly worthy of support. They are bills which seek to implement a promise made by the Australian government to the Australian people at the last election. We are delivering on our mandate. We were elected to office by the Australian people to implement a range of promises. The promise being implemented by this legislation is one of them. We are entitled to have this policy implemented and we seek the support of the parliament so that we are able to keep faith with the Australian people in this manner. I commend the bills to the House.

**Mr MELHAM** (Banks) (1.00 pm)—I rise today to oppose the Independent Contractors Bill 2006 and the Workplace Relations Legislation Amendment (Independent Contractors) Bill 2006. I begin my remarks by quoting from the minister's second reading speech, in which he said:

The coalition believes everyone's life opportunities are diminished by restrictions on the freedom to work.

I do find the comment incongruous from a government whose sole purpose in this parliament has been the imposition of restrictions through its appalling Work Choices legislation. This legislation has already had such a deleterious impact on the lives of so many Australians. I first spoke on the so-

called Work Choices bill on 9 November 2005. At that time I warned:

With this legislation the government has come down fairly and squarely on the side of the employers ... The government does not even pretend to be fair in this situation.

This trend began with the discriminatory attack on the building and construction industry; it continued with the attack on all workers covered by federal legislation and now continues with this piece of worthless legislation. The net effect of the independent contractors bills is to ensure that basic rights are ripped away from contractors. These rights include those which are so fundamental that they should defy definition: annual leave, workers compensation, long service leave, superannuation, sick leave and paid public holidays.

The term 'independent contractor' is somewhat misleading. Many of these contractors are not independent. The legislation does not seek to define the term 'independent contractor'. Instead, it relies on the common-law definition. At common law employees are engaged under the contract of services, whereas contractors are engaged under a contract for services. In other words, an independent contractor is generally engaged on a labour only contract, usually determined as a one-off flat rate. Generally the independent contractor remains responsible for a number of aspects of the relationship that would usually be the responsibility of an employer. This is problematic. Most recently we have seen examples of how this relationship is demonstrably not independent—to the detriment of the contractors. Figures from the Productivity Commission based on the ABS forms of employment survey estimate that there are 787,600 independent contractors in Australia, 8.2 per cent of all employed persons.

Technicians installing for Foxtel, for example, pay for all their materials—a van, tools and petrol. There has not been an increase in their contract rates for over 10 years. Optus workers were made redundant earlier this year and re-applied for their jobs as independent contractors. There is no doubt that Optus management was sure that the company would not suffer financially as a result of this change—indeed, rather the opposite.

Owner-drivers delivering Tooheys beer faced a 42 per cent cut when Linfox took over this year. The vast majority of owner-drivers, for instance, are single vehicle operators who are highly dependent on the employers to whom they contract. Often owner-drivers only work for the one employer. They can only work for that operator and must take the price they are offered. There is little independence in terms of bargaining power, and the contractors are vulnerable, never more so than if this legislation passes both houses. Many trucking families live on overdrafts as they struggle to pay off the huge debt incurred in purchasing a vehicle. Surveys have found that around one-third of people could not find permanent work and three-quarters believe that these arrangements are simply used by their employer to avoid any obligations to their staff.

In my own electorate there are a number of owner-drivers. Their stories, provided to me through the TWU, are a clear illustration of why this legislation must be defeated. Adam works in the general transport industry and has invested \$300,000 in his business. He believes that deregulation will mean a decrease in rates for many drivers. Adam also believes that he will have to increase an already high workload—in excess of 70 hours a week.

David, with 17 years of service and \$100,000 invested, also believes that driver

rates will be negatively affected and is concerned about his ongoing vehicle repayments, maintenance and fuel costs, which still need to be serviced. He says:

I think it's a disgrace that a government that says its on the side of small business has just kicked so many, right in the guts.

Another owner-driver, Ian, sees the introduction of this bill as a direct attack on his ability to collectively bargain. He said:

My mates have stuck up for me in the past but I guess after this, I'm on my own.

Andrew is also concerned about the impact on collective bargaining. Andrew said:

Now I am going to have to pay solicitor fees to go to court when before my union was able to represent me for free. I thought I had the freedom to choose.

Another constituent, Ali, a courier with \$150,000 invested in his business, is worried about the fact that the deregulation will see an increase in the number of unsustainable operators. Ali works in the very competitive courier industry, where ease of entry and little product differentiation means that there is always a high turnover and a high level of unsustainable operators—drivers working for very low rates to build a client base. He also sees it as an attack on his ability to resolve disputes in an easy and affordable way:

If I went up against a company outside the commission—I wouldn't win, I couldn't pay the big bucks, I'd spend two weeks income to win back a day.

I understand that the legislation now excludes owner-drivers from New South Wales and Victoria. This has been as a result of significant lobbying, not the least of which has been from the Transport Workers Union. The comments and stories I have quoted are from my own constituents in Banks in Sydney. I would be very surprised to find that these do not represent the views of owner-drivers across Australia.

In the 1960s the particular vulnerabilities of owner-drivers were recognised—by a Liberal government. A commission of inquiry established that there was an ‘overwhelming case’ for the regulation of owner-drivers. The inquiry recognised that, while owner-drivers were contractors, they operated in a dependent relationship with the employing companies.

The current New South Wales act—the Industrial Relations Act 1996—recognises enforceable minimum standards providing the certainty of at least cost recovery; the prevention of unfair destructive competition by preventing undercutting across a site or industry sector; the capacity for incentive systems to flourish above the minima on either an individual or an enterprise level; protection against arbitrary termination of the contract; no-cost and timely access to the Industrial Relations Commission for the resolution of disputes about various matters, including goodwill; and the capacity to recover goodwill where termination of the contract has resulted in that goodwill being unfairly extinguished. This system has had bipartisan support in New South Wales since its inception.

In Victoria, an inquiry was established in 2003 which established that significant disadvantage exists amongst owner-drivers, requiring legislative intervention. The Victorian government passed the Owner Drivers and Forestry Contractors Act 2005 to remedy this situation. Some of the critical elements of this act include: the provision of an information booklet to the owner-driver prior to the entering into of a contract; the provision of published rates and cost schedules to the owner-driver prior to the entering into of a contract—this identifies the typical fixed and variable overhead costs for that class of contractor and the base hourly and casual rate that would typically apply to that class of contractor; that contracts must be in writing

and include the guaranteed minimum hours of work; the rates to be paid and the minimum period of notice applicable; the creation of the capacity for owner-drivers to appoint a negotiating agent; the establishment of codes of practice in relation to owner-drivers and hirers; the prevention of unfair business practices through the articulation of a series of tests in relation to unconscionable conduct; and the establishment of a low-cost, accessible dispute resolution procedure under the auspice of the Victorian Small Business Commissioner.

As I understand it, it is the government’s intention to preserve existing New South Wales and Victorian arrangements and protections—and, on behalf of those people in my electorate who are impacted, I am very pleased. Nonetheless, the exclusion begs the question: if it is unacceptable for the independent contractors of New South Wales and Victoria, why is it acceptable for the independent contractors of the other states and territories? It shows the typical short-sightedness of this government. I also note that the government will review this exemption in 2007, which opens up the prospect of whether the review will be before or after the next federal election. The likelihood is that the exemption will be rescinded—I am a pessimist. The Australian Labor Party oppose these bills. We note that it is a continuation of the government’s attack on the conditions of Australian workers, and we will continue to oppose such unfair legislation.

**Mr HARTSUYKER** (Cowper) (1.10 pm)—I rise to speak on the Independent Contractors Bill 2006 and the Workplace Relations Legislation Amendment (Independent Contractors) Bill 2006. I welcome this opportunity to address the House on a measure that is extremely important to working men and women throughout Australia. I use the phrase ‘working men and women’, though some may find it strange in this con-

text, because I wish to highlight the changing nature of employment in the Australian economy and the change in attitude that has enabled us to make so much progress in the last 10 years. I believe that the phrase 'working men and women' now covers a far wider section of society than some of the old class warriors on the other side of the House and in the labour movement would have us believe.

It is worth noting the figures given to the House earlier this week by the Minister for Education, Science and Training and Minister Assisting the Prime Minister for Women's Issues. More than one million new jobs for women have been created since 1996, and there are now 4.6 million women in employment—a 28 per cent increase since 1996. The working men and women of Australia are increasingly grasping the opportunities and the benefits of the modernisation of the Australian economy. They realise that old definitions and the old ways of doing things are no longer good enough. They realise that they cannot stand still while the rest of the world shakes off the old attitudes that have retarded growth. They realise that, if we ignore what is happening in the rest of the world, we do so at our peril.

Let me remind members why this government brought in the Work Choices legislation—part of the government's reform agenda, of which this bill is a further element. The reason was that an increasingly global economy is also an increasingly competitive international scene. The benefits that we have seen since 1996—namely higher wages, more jobs and better living standards—have come from successfully dealing with competition. We all recognise that we have a huge opportunity in selling our natural resources into the rapidly growing economies of India and China, but not everyone seems to recognise that we could not have taken advantage of that opportunity if our

ports and docksides were still crippled by a range of restrictive work practices. We have to recognise that, as these economies grow, they will not only take our resources but also compete with the wider range of sectors in our own economy, and they will be competing against companies within this economy from a far lower cost base. This is not to say that we should, or can, compete with them on the basis of cost alone. But what we have to do is remove the impediments that restrain us from achieving our full potential. We have to be lean, fit and fast on our feet.

As I have said in this House before, we are a country of only 20 million people. In a global economy, we simply cannot afford to have six separate industrial relations systems. China's population is estimated at more than 1.3 billion. We have only 20 million. The European Union does not have six separate state systems. It has 25 member nations, and they are considering harmonising toward a central workplace relations system. Resisting or ignoring these trends is pure folly. Of course, many in the union movement resist out of pure self-interest. The thrust of Work Choices and the Independent Contractors Bill is to provide flexibility with safeguards. So let me now turn to the union reaction to one way in which flexibility is provided for both employees and employers.

As I have said, our future prosperity depends on being able to compete in international markets. I think we would all agree that Qantas is certainly a company that has to do this. Against a background of sharply rising fuel costs and operating in a market which is threatened by terrorism, Qantas is provided with quite a challenge. Qantas realises, if it is going to compete in an international market, it has to have world competitive practices in every aspect of its operation, and that means in relation to its workforce as well. The company has signalled that one of the remaining ways in which it will be able

to compete more effectively is to have a look at the way that it has 38,000 employees on 45 different enterprise agreements. I know Qantas is very keen on, and sees very much the benefits of having, Australian workplace agreements.

This issue has also arisen in relation to Jetstar. Jetstar would be provided substantial benefits through the use of AWAs. But we know what the unions' attitude is to AWAs. We know what the opinions of the Australian Labor Party are towards AWAs. Their approach to this is to rip them up, if they ever get the chance. I would be interested to know what the Australian Labor Party and the unions would say to the some 2,800 applicants who have sought the 200 jobs at Jetstar on AWAs. Would they be wanting to tear up those AWAs that have been provided with those 200 jobs? I think they would.

As we have heard recently in the House, almost one million AWAs have been entered into. The Australian Labor Party and the union movement would have such AWAs torn up. It is interesting to note that the mining industry—one of our most successful export earners—attributes a substantial proportion of its success to the labour flexibility that is offered by AWAs. It is estimated that the abolition of AWAs would cost some \$6.54 billion, according to the Mines and Metals Association. It would be interesting to see the impact of a loss of \$6.54 billion on the bottom lines of companies which are employing Australians, paying tax and producing the wealth which enables this country to prosper.

But what does the Australian Labor Party do? It just resolves to simplistically tear up these arrangements—to tear them up and retreat behind the walls of Fortress Australia, to bury their heads in the sand and to ignore the way in which the rest of the world travels. Unfortunately for the Australian Labor

Party, Fortress Australia is not a refuge any more. The global economy means that we have to compete. We cannot put up barriers. The Independent Contractors Bill is very much a part of ensuring that we have the sort of flexibility that enables people to contract, to come up with efficient outcomes for their customers and to provide a much more efficient economy.

The writing is on the wall. We cannot afford to tear up AWAs. We cannot adopt the strategy of Fortress Australia. The Australian Labor Party in their stance choose to ignore the evidence which they have before them. They choose to ignore the government's record unemployment. Our record unemployment is most impressive. We have unemployment at record 30-year lows. We are achieving higher wages. We are achieving higher standards of living. The government have achieved much of this through reform of the labour market—reform that is being fought by the Australian Labor Party and the union movement every inch of the way.

The unions and the ALP have said that the sky will fall in. They have said that there will be mass sackings. They have said that a whole range of adverse consequences would occur through the introduction of Work Choices. They indicated that it is a bit like putting termites into your house. They cannot ignore the fact that in the order of 50,000 jobs are being created a month. The sky has not fallen in. Mass sackings have not occurred. The empty rhetoric which has been put forward by the Australian Labor Party and by the union movement is being exposed for what it is—nothing but empty rhetoric. Whether we are talking about AWAs or provisions for independent contractors, the rhetoric is the same. It is nothing but scare-mongering. They believe that something that is good for employers cannot possibly be good for employees. They say that a provision that helps small business, just by its

very definition, has to be somehow bad for employees.

But we as a nation have moved on, including the 1.9 million working men and women who have chosen not to be union members but to manage their affairs as independent contractors. There are now more independent contractors than there are union members in the Australian workforce. This government, through this legislation, is going to help those people by giving them the freedom to run their own businesses as they see fit, not being dictated to by a union which they do not wish to be a member of. As with Work Choices, we need to rationalise the current situation by removing the inconsistencies that currently exist between the states, by removing the barriers that state legislation presents to those wishing to set up their own business as contractors and by reducing compliance costs, which place a proportionally larger burden on the small business sector.

The current system tends to try to force independent contractors into the traditional industrial relations system, which is simply not appropriate. If an individual has taken the decision to become a contractor or an entrepreneur, they should be free to negotiate their own terms and conditions. Both they and their business partners should be able to reach an agreement without the restriction that a contractor should be treated as an employee, with all that that entails. It is only by providing this kind of freedom to negotiate that both partners can take advantage of the flexibility that independent contractors can offer and that is necessary for us to remain a globally competitive economy.

So the bill will ensure that independent contractors operate under commercial arrangements, rather than employment arrangements. It will override state and territory legislation that deems contractors to be

employees for industrial relations legislation, and it will ensure that sham arrangements are not—and, I repeat, not—legitimised. It is clearly a nonsense that in New South Wales, for example, a carpenter could be regarded as an employee, whereas elsewhere in Australia the same carpenter may choose to be an independent contractor. That also applies to another 12 categories of workers. Just as Work Choices banned clauses in awards and agreements which set out to prevent the recruitment of contractors or to impose conditions upon them, this bill will override state legislation to ensure these deemed workers operate in a less restrictive environment.

Those currently deemed to be employees under state law will continue as such for three years, unless they decide to become an independent contractor in the meantime. This will give them a chance to consider the new arrangements and, if they wish to, make the necessary changes. As I said, we should reduce the burdens on those running their own businesses as much as possible, and this breathing space will give them plenty of time to make that transition.

On the one hand, then, the bill will enable those who wish to operate as independent contractors to derive the full benefit from their independent status, to take full advantage of the opportunities of the dynamism of the Australian economy and to strike whatever agreements best suit their personal and working environment. On the other hand, it also offers protection to those who might suffer by being forced into a position of independence and provides restraints on employers seeking to avoid their obligations.

Just as the Work Choices legislation recognised that there were both good and bad employees, and good and bad employers, this bill will provide a civil penalty for those employers who try to evade their responsibilities by declaring genuine employees as

contractors through sham arrangements. The Office of Workplace Services will take up the cases of those employees who are disadvantaged in this way. Interestingly, in the light of those false allegations that Work Choices actually set out to abolish awards, there will be penalties for the breach of an award if it is found that a person was treated as a contractor when they were in fact an employee and had not been paid their full entitlements as such. These penalties will also be incurred for breaches of the Australian Fair Pay and Conditions Standard where that applies. These range from \$6,600 for an individual to \$33,000 for a body corporate.

There will also be safeguards for contractors as the bill will signal a move toward a single system for dealing with unfair contracts and a move away from the duplication and confusion that flows from overlapping state legislation. The corporations power will be used to override state regimes, and the Federal Magistrates Court will be given the power to hear unfair contracts cases, thus giving contractors easier and cheaper access to remedy under the law. This will apply to both incorporated independent contractors, who do not have access to the federal system at present, and to those operating as natural persons.

There are also two groups of workers who, rightly, will receive special consideration under this bill. Currently most states regard outworkers in the textile, clothing and footwear industries as employees. Clearly, those who work on their own, have little opportunity to organise with their coworkers and may be unable to work their way through the supply chain of subcontractors in the event of having to claim any money owed to them, are a special case. The Independent Contractors Bill will therefore not affect state legislation that is specific to outworkers, but the Fair Pay and Conditions Standard will apply to those outworkers

where they are not covered by a law providing some form of wages guarantee. This again shows that, far from removing all the safeguards for workers, this government believes in providing protection for workers in a vulnerable situation.

This bill retains the special provisions for owner-drivers in New South Wales and Victoria. Owner-drivers have historically been recognised as having particular vulnerabilities and requiring special protections. Many work for only one commercial partner and face interest payments on large loans needed to buy their vehicles. The provisions that currently stand in the state legislation of New South Wales and Victoria to determine contracts and for dispute resolution will remain. However, it is right that we should try to achieve consistency across the whole country. I welcome the review that will be undertaken with the aim of rationalising these particular laws. It is worth noting the comments by Labor's workplace relations spokesman, Stephen Smith, who said this morning in his usual uninformed way:

... many owner drivers in the transport industry, for example, it takes away very many of the state-based protections for dependent contractors.

This, in the good opposition spokesman's inimitable style, is, as usual, completely wrong. As I have just noted, the protections for owner-drivers in New South Wales and Victoria, the only two states which have such legislative protection, will be maintained by this legislation—not taken away but maintained. Once again the shadow minister has got it completely wrong. At least this point has been acknowledged by the New South Wales Transport Workers Union secretary, Tony Sheldon. In a media release on 3 May, he said:

... the Independent Contractors Act will maintain protections for NSW owner-drivers.



It would be good if the Australian Labor Party at least talked to their union mates now and again. This lack of attention to detail by the Labor frontbench is why they seem to get it so wrong. So often on workplace relations they get it wrong—they just do not understand the issues, and they do not understand the debate generally.

In conclusion, these bills, together with many of the provisions of the Work Choices legislation, will benefit many small business people and encourage those thinking of going into business. They offer them more freedom and more flexibility. They reduce the administrative burden. They provide safeguards and redress. For many areas in regional and rural Australia, such as my electorate of Cowper, the vast majority of businesses are small businesses. They make up the bulk of the local economy. The more people we can encourage to set up business—whether they operate as a single independent contractor or whether they employ a number of people—the better. In a modern economy, independent contractors are working men and women. Entrepreneurs are working men and women. Jetstar cabin crew are working men and women. Working men and women need to have the freedom to determine conditions that reflect their particular circumstances and which enable them to make the maximum contribution to the economy and to their own families and finances. I commend these bills to the House.

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

**ABORIGINAL LAND RIGHTS  
(NORTHERN TERRITORY)  
AMENDMENT BILL 2006**

**Consideration of Senate Message**

Bill returned from the Senate with amendments.

Ordered that the amendments be considered immediately.

*Senate's amendments—*

- (1) Clause 2, page 3 (table item 20), omit "201A", substitute "201".
- (2) Schedule 1, page 7 (after line 25), after item 4B, insert:

**4BA Subsection 3(1) (subparagraph (a)(ii) of the definition of *intending miner*)**

Omit "exploration retention lease or exploration retention licence, or has made an application for the grant of such a lease or licence", substitute "exploration retention licence, or has made an application for the grant of an exploration retention licence".

- (3) Schedule 1, item 46, page 22 (line 20), omit "person", substitute "approved entity".
- (4) Schedule 1, item 46, page 24 (lines 15 to 20), omit section 19B.
- (5) Schedule 1, item 61, page 33 (after line 15), after paragraph 28(3)(b), insert:
  - (ba) section 19A (about grant of township leases);
- (6) Schedule 1, page 60 (after line 29), after item 124C, insert:

**124D Subsection 46(1)**

Omit "exploration retention lease (whether that licence or lease", substitute "exploration retention licence (whether that exploration licence or exploration retention licence".

- (7) Schedule 1, item 189, page 71 (line 28), omit ", (13)".
- (8) Schedule 1, item 192, page 74 (line 16) to page 75 (line 9), omit subsections 67A(12) and (13), substitute:
  - (12) This subsection applies in relation to an application:
    - (a) that was made under section 50 before the commencement of this subsection by or on behalf of Aboriginals claiming to have a traditional land claim to qualifying land (whether or not recommendations of the kind referred to in subparagraph 50(1)(a)(ii) have been made and

whether or not the application covers other land); and

- (b) that was given the land claim number prescribed by the regulations.

The traditional land claim is taken to have been finally disposed of:

- (c) to the extent that it relates to qualifying land that is described in the regulations; and  
 (d) on the day on which the regulations take effect.

- (13) To avoid doubt, if regulations are made for the purposes of subsection (12) in relation to a particular application, then later regulations may also be made for the purposes of that subsection in relation to that application.

- (9) Schedule 1, item 192, page 75 (line 10), omit “subsections (12) and (13)”, substitute “subsection (12)”.

- (10) Schedule 1, item 192, page 75 (line 17) to page 76 (line 13), omit subsections 67A(15) and (16).

- (11) Schedule 1, item 193, page 78 (lines 8 and 9), omit “Aboriginals claiming to have the traditional land claim”, substitute “traditional Aboriginal owners of the area of land, or the part of the area of land, referred to in subsection (2)”.

- (12) Schedule 1, item 201A, page 80 (lines 14 to 19), omit the item.

- (13) Schedule 1, item 202, page 80 (line 24), omit “a person”, substitute “the Secretary of the Department, or an SES employee or acting SES employee in the Department.”.

- (14) Schedule 1, item 202, page 80 (lines 27 to 30), omit subsection 76(1A).

- (15) Schedule 1, item 228, page 91 (lines 8 and 9), omit “, (9), (12) and (13)”, substitute “and (9)”.

**Mr BROUGH** (Longman—Minister for Families, Community Services and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (1.29 pm)—I move:

That the amendments be agreed to.

I think all sides of the House would agree that the Aboriginal Land Rights (Northern Territory) Amendment Bill 2006 is very important legislation. I noticed that one of the newspapers this morning—I think it was the *Courier-Mail*—when commenting about this had a fact wrong. That is unusual for the *Courier-Mail*. It stated that this legislation was introduced by the Whitlam government. As was rightly acknowledged by those who sit opposite—I think it was the member for Banks yesterday or the member for Lingiari—it was Fraser government legislation and landmark, as it was. I certainly was not part of government at the time, but I think all those at the time had great hopes that this legislation would lead to a new and improved set of circumstances for Indigenous Australians around landownership and ultimately around self-determination. Unfortunately, again as I am sure we would all recognise in this House, that has not come to fruition.

There has been a nine-year period of consultation for this bill. Wonderful and positive contributions have been made by a variety of groups, by the Northern Territory Labor government, by the Northern Land Council and by individuals. And the process will continue. There has been a long and wide-ranging debate in the Senate on this bill and on the amendments to it and a number of different views have been expressed. The one thing we all agree on, whilst we may disagree on how it can be achieved, is that we all have the goal of alleviating the plight of the First Australians, the Australian Aborigines. The last 30 years have promised much but delivered far too little to many of these remote communities.

As I said in this place yesterday and previously, the bill before us, which I hope to bring to conclusion shortly, is not putting any requirements on Aboriginal Australians. It is making the way forward to a better future

easier, should they elect to do so. The bill will make the operation of what is already available less onerous, quicker to implement and less confusing for those who are part of the process. But, most importantly, it can make reality what the rest of us take for granted—and that is the opportunity to own your own home in your own right, if that is something you choose to do.

The amendments we are reconsidering today are the culmination of amendments to the original bill that were moved in this place; amendments to the amendments, which are money matters and which were moved in this place; and then a range of other inconsequential amendments, predominantly made in the other place. This now brings it all together, and hopefully today we will bring this matter to a conclusion. The honourable member for Lingiari has a couple of other amendments he wants this place to consider, so I will not delay the House any further.

**Mr SNOWDON** (Lingiari) (1.33 pm)—by leave—I move:

- (1) Senate amendment 7, omit “, (12)”, substitute:  
“, (12), (13)”.
- (2) Senate amendment 8, omit the amendment, substitute:  
“Schedule 1, item 192, page 74 (line 16) to page 76 (line 28), omit subsections 67A (12) to (17)”.

These amendments relate specifically to the issue of intertidal claims. The first amendment relates to item 189, proposed section 67A(5). It will have the effect of omitting paragraphs (12) and (13). The more substantial amendment, however, is an amendment to schedule 1. The purpose of this amendment is to omit proposed sections 67A(12) to (17)—all of those proposed sections dealing with the disposal of claims on intertidal zones. The purpose of this I will make clear.

There has been no procedural fairness in relation to these amendments. We are trying to prevent the government from effectively extinguishing claims which have already been assessed by the land commissioner and recommended for grant but which have been not granted by successive federal ministers—Ministers Ruddock, Vanstone and now Brough. The recommendations for grant were made as a result of claims made in 2002 and 2003. The government is now moving to extinguish these claims. For each claim, Justice Olney stated that approximately 2,000 traditional owners would benefit from the grant. Justice Olney was also confident, judging from his long experience as land commissioner, that non-Indigenous interests would be accommodated as a result of his recommendations.

There has been no discussion with the traditional owners who would be affected by these amendments, as proposed by the government, and no attempt made to seek their agreement or otherwise. This demonstrates a total lack of interest by the government in sitting down and dealing with traditional owners in a way which is fair to their interests and to their rights as Australian citizens.

After all, what we are talking about here are claims which were made legitimately under the provisions of the Aboriginal land rights act, claims which were heard at a great cost to the Commonwealth, the Northern Territory and land councils representing traditional owners in the Northern Territory. During the land claims process I have observed and participated in land claims hearings over many years, and they are extremely arduous. But there is no fairness in this approach, because the claims have been made, the hearings have been held and, as a consequence of those hearings, recommendations have been made by the land commissioner—recommendations which sit on the desk of

the Minister for Families, Community Services and Indigenous Affairs.

If the minister were reasonable and the government were reasonable, they would have dealt with these claims once they had arrived on their desks and the land could have been granted once issues of detriment, should there be any, had been properly addressed and dealt with. There has been no attempt by the government to validate why it is that they are proposing to go down this course. The only reason that I can contemplate is that they are doing this because of political interests not in this chamber.

There is absolutely no doubt at all that this undermines the rights of Aboriginal people in the Northern Territory as traditional owners and, I would argue, deprives them of rights as Australian citizens. This is not what this parliament should be about. What we should be about is enhancing the interests of all Australians, building upon the rights that they currently have, not diminishing their rights or seeking to take away their rights and eliminating the possibility, in this case, that they might have land granted to them.

I know that the family of a very good friend of mine, Barbara McCarthy, the member for Arnhem and a member of the Northern Territory Legislative Assembly, is affected by these amendments. There has been no discussion with her family about these amendments. (*Extension of time granted*) In any event, people's rights are being eliminated by the Aboriginal Land Rights (Northern Territory) Amendment Bill 2006. It is not fair, it is not reasonable and it is not appropriate.

I know the minister and others travelled to the Borroloola region over recent months. Had they wanted to, they could have sat down at the time and discussed the matter with the traditional owners. It was not raised by the government and its representatives. In

fact, the irony is that we were there to hand back land. The minister was treated with great respect by those people to whom he was handing back the land. They understood that this process not only took them a long time in their particular instance—*islands off Borroloola*—but recognised their integrity, their cultural and spiritual affiliation and their traditional ownership of the country that was handed back to them.

The minister spoke well on that occasion, and I was pleased he was there. But he could well have sat down with the other people who are claimants, whose rights he is now eliminating as a result of these actions. This is not fair, it is not reasonable and it is totally un-Australian. I say to the minister: reflect upon this action. I say to the minister: you have one last opportunity, Minister, to fix this problem by accepting our amendments. We are not seeking to substantially change other areas of the amendments that you have put forward—primarily because it is very difficult technically—but we are moving these amendments. I say to you, Minister: here is an opportunity for you to show your bona fides to the Aboriginal people of the Northern Territory—and, indeed, of Australia—to show them you understand their interests and their rights, to show them that you appreciate the significance to them of the land and to show them that you understand that they have been through this process, that land has been recommended for grant and that you are prepared to grant it.

**Mr McMULLAN** (Fraser) (1.42 pm)—While I do want to speak on the Aboriginal Land Rights (Northern Territory) Amendment Bill 2006 because I feel strongly about some of the matters that have arisen, it may also be appropriate if I speak just long enough for the Minister for Families, Community Services and Indigenous Affairs and the parliamentary secretary to get a few pro-

cedural matters sorted out, so let me do both things.

I was concerned when the bill first came in, and with the comments the minister made in introducing these amendments, that the criticism of what has followed on from the original land rights act is far too sweeping. There has no doubt been some disappointment, but let us not ignore the substantial economic and cultural benefits that are flowing from the recognition of entitlement to land. It was an important Whitlam government initiative that the Fraser government quite properly brought to fruition, and we ought not to underestimate that.

The minister said that there has been a very substantial degree of consultation. There has, and it led to a very broad area of agreement about amendment to the land rights act. It was very welcome; I agreed with every element of that. But the trouble is that this bill goes far beyond that. I am shocked now to find, after listening to the member for Lingiari and noting the amendments he moved, that it goes further than I was even aware.

I was not conscious in the original discussion that this significant impact on the intertidal zone and on the rights of people was to be retrospectively aggregated. I have never heard of such a thing. It must be very close to being unconstitutional in terms of these people's claims, almost being property rights, being taken away from them. I assume that matter has been looked at by others, but I am shocked. Given what I understand to be the procedural agreement, I will give my colleague the member for Kingsford Smith a chance to speak. But I am distinctly unhappy about the broader process and shocked about this immediate matter with which we are dealing. I hope these amendments moved by the member for Lingiari can be supported.

**Mr GARRETT** (Kingsford Smith) (1.44 pm)—In following on from the remarks made by my colleagues the member for Lingiari and the member for Fraser, I want to speak about the way this legislation has travelled through the House and about the significant disquiet on the part of Indigenous communities in the Northern Territory because they do not feel that the consultation process has been at all adequate.

Traditional owners and others have legitimate claims under way and are going through a process which includes, under the Aboriginal land rights act, claims on the intertidal zone. By the effect of the government's legislation, they now find that they no longer have the capacity to proceed with the claims made by them for their country and for their rights to country. It is a particularly poor day for Indigenous people in the Northern Territory when legislation like this comes through the House at such a pace.

The member for Fraser mentioned the aspects of the legislation that Labor are supporting. During this debate, Labor put the proposal that we should split the amendments and identify those parts of the legislation which have consent and which mining organisations, traditional owners, governments and communities believe have purpose and merit. We want to look closely at those matters on which there is consent. They are the matters that should be considered by this House. That is what democracy is all about. People have anxiety and concern because they do not feel that they have been properly consulted or because they feel that their rights are being denied or taken away. Those rights, which were hard fought for some 40 or more years ago—and we will be recognising and commemorating some of those campaigns in this House over the next 12 months—will be denied under this legislation.

I again echo the comments of the member for Lingiari to the minister: there are amendments here which we think have merit and deserve your consideration. The way in which this legislation has come through the House has not served the people of the Northern Territory.

**Mr BROUGH** (Longman—Minister for Families, Community Services and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (1.46 pm)—I thank the honourable members for their genuine beliefs and thoughts on this issue. I understand where they are coming from and where they believe the system is at.

I want to clarify that this legislation was brought up with and provided to the Northern Land Council in October 2005. It is not new; it has not been sprung on anyone. I do not want anyone to think that for a moment. I understand the views of members opposite. The current bill provides for the disposal of land to the intertidal zone and to the beds and banks of the rivers. We are literally talking about—as members would know but many in the gallery might not—a mud flat between high- and low-water mark. We are talking about that bit of land. It is about having a line in the sand so that people know what is in and what is out and where they have connection.

Claims covering the banks of rivers that are not contiguous with Aboriginal land are being disposed of. We believe that those claims which cover narrow strips of land are inappropriate to grant because of the issue of tidal water marks. For what it is worth, I might add that this legislation is in line with the proposal put by the ALP's Northern Territory government. Whilst I understand the reasoning behind your position on this and your belief—

*Mr Snowdon interjecting—*

**Mr BROUGH**—The member for Lingiari reminds me that they are not here; they are his ALP colleagues in the Northern Territory. It just goes to show that there are a range of views on this issue, even within the ALP. I commend the original bill to the House and reject the proposals put by the member for Lingiari.

Question put:

That the amendments (**Mr Snowdon's**) be agreed to.

The House divided. [1.52 pm]

(The Speaker—Hon. David Hawker)

Ayes.....	56
Noes.....	79
Majority.....	23

AYES

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

## NOES

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

\* denotes teller

*In division—*

**Mr Fitzgibbon**—Mr Speaker, I raise a point of order. For the benefit of the House, would you clarify which specific seats for members count as a vote and whether each member currently in the chamber will be counted as voting?

**The SPEAKER**—In response to the member for Hunter, I can appreciate the question: all members sitting in the chamber will have their vote counted.

**Mr Hatton**—Mr Speaker, with respect, this situation has occurred before and, as I understand it, the seat of the Serjeant-at-Arms has been designated as not being in the chamber.

**The SPEAKER**—I thank the member for Blaxland. I have just taken advice and I am told that the vote will be counted.

Question negated.

Original question agreed to.

#### MINISTERIAL ARRANGEMENTS

**Mr HOWARD** (Bennelong—Prime Minister) (2.00 pm)—I inform the House that the Minister for Defence will be absent from question time today. He is travelling to Hobart to attend the funeral of Lieutenant Michael Wertheimer. The Minister for Veterans' Affairs will answer questions on his behalf. The Minister for Revenue and Assistant Treasurer will also be absent, for personal reasons, and the Treasurer will answer on his behalf. I also inform the House that the Minister for Community Services will be absent from question time. He is interstate attending a Local Government and Shires Association conference. The Minister for Families, Community Services and Indigenous Affairs will answer questions on his behalf.

#### VIETNAM VETERANS DAY AND THE 40TH ANNIVERSARY OF THE BATTLE OF LONG TAN

**Mr HOWARD** (Bennelong—Prime Minister) (2.01 pm)—Mr Speaker, may I have the indulgence of the House to speak briefly about the 40th anniversary of the Battle of Long Tan and Vietnam Veterans Day, which will be marked tomorrow. As members know, there will be a reception in the Great Hall this evening to pay tribute to the hun-

dreds of Vietnam veterans who have come to Canberra to mark this event.

Let me start by acknowledging and, on behalf of the House, honouring and paying tribute to the member for Cowan, Graham Edwards, who served in the Australian Army from 1968 to 1971 as a member of the Pioneer Platoon, 7th Battalion, Royal Australian Regiment. He is, in my understanding, the only currently serving member of the parliament who served in Vietnam. He paid a terrible price for his service—he lost both legs in a landmine blast. Following his discharge from the Army, he spent many years—and he continues to do so—assisting veterans. On behalf of my colleagues and I know all members of the House, we acknowledge his contribution and we honour his service and his bravery.

**Honourable members**—Hear, hear!

**Mr HOWARD**—Many well-known former members of this House served in Vietnam—most recently, the former Deputy Prime Minister and member for Farrer, Tim Fischer. Other former members who served in Vietnam include the former member for Isaacs, Rod Atkinson; the member for McPherson, John Bradfield; the member for Bass, the late Kevin Newman; and another former member for McPherson, the late Peter White, who was awarded the Military Cross for his courage and leadership during the 1968 Tet offensive.

Tomorrow is the 40th anniversary of the Battle of Long Tan. That battle, which was the first major engagement in which Australia was involved in the Vietnam War, has come to symbolise the bravery and the struggle faced by our Vietnam veterans. It is fitting that the anniversary of that battle is also Vietnam Veterans Day. On the afternoon of 18 August 1966, Delta Company 6RAR, which was a force of 108 men, patrolling in the area of the Long Tan rubber plantation,

encountered an enemy force estimated at some 2,500. A very fierce battle ensued, as a result of which 18 Australians lost their lives and a further 24 were wounded. Some 245 Vietcong combatants were found and other enemy casualties were carried away in the retreat.

In the time of the Vietnam War, some 50,000 Australians served in Vietnam. More than 500 died and about 3,000 were wounded. It should be said on this occasion that the Vietnam War caused considerable domestic political controversy. It is not my intention in any way to revisit the internal debate. I respect the fact that there were very strongly held views on both sides of politics on that matter. Any discussion of Vietnam reminds us of those divisions. I think we accept that people held their views with tenacity and with conviction, but it does have to be said that whatever views were held on the rightness or justice of Australia's involvement in Vietnam—and the remarks I am about to make do not seek to distinguish between those who opposed and those who supported our involvement—an objective assessment would reveal our nation's collective failure at the time to adequately honour the service of those who went to Vietnam.

The sad fact is that those who served in Vietnam were not welcomed back as they should have been. Whatever our views may have been—and I include those who supported the war as well as those who opposed it—the nation collectively failed those men. They are owed our apologies and our regrets for that failure. The very least that we can do on this 40th anniversary is to acknowledge that fact, to acknowledge the difficulties that so many of them have had in coping with the postwar trauma and to acknowledge the magnificent contribution that they have continued to make to our nation.



So this afternoon and tomorrow we will in different ways—and I know in a totally bipartisan fashion—pay proper regard to their bravery, their service and their commitment. They did what their country lawfully asked them to do at the time. They did it with distinction, with honour and with bravery, and they should have been more properly honoured for that some 40 years ago. I hope with the passage of time they will understand the goodwill of the current generation of Australians in relation to that matter.

There are just two other things that I do wish to mention. One of them relates to the issue of the bravery awards that came out of the Battle of Long Tan. They have become the subject of much debate. It does appear, on the assessment of many, that some injustice was done in relation to the changes that were made in the theatre of war to the original recommendations made by the commanding officers during that battle. It has been put strongly to the government—as I understand, it was put strongly to the former government—that a case exists for reopening the changes that were made between the honours recommended by the commanders in the field and the honours recommended by the ultimate commander of the Australian operations in Vietnam.

I do understand fully the sense of grievance and the sense of injustice that many of these men feel, and I had the opportunity this morning to spend an hour with Colonel Harry Smith and a number of his colleagues. Colonel Smith, of course, was the Commanding Officer of Delta Company 6RAR in the Battle of Long Tan. The difficulty faced by any government in reopening a particular set of recommendations, having regard to changes that might have been made on the original recommendations, is that as one sense of grievance might be addressed so many others are opened up. It is my understanding, and the understanding of many that

have examined this issue, that it has frequently been the practice that changes are made on the original recommendations when the recommendations are received by the commanders further up the chain.

Whilst I will continue to engage with representatives of the Vietnam veterans community, and most particularly those who were involved in the Battle of Long Tan, as will the Minister for Veterans' Affairs, I would like to frankly explain to the House the difficulty of opening up in the manner requested this particular set of recommendations without also legitimately opening up others, indeed in relation to battles stretching back to World War II and in respect of relatives from battles stretching back to World War I and similar situations. That is the difficulty the government faces.

Finally, I would like to say to the House that, as a further recognition, the government has decided, as a living memorial to the Battle of Long Tan, to rename the Australian Defence Force Leadership and Team Work Awards for secondary schools to the Defence Long Tan Leadership and Team Work Prize, which is a particular recognition of the place that that battle holds—generally in a representative way—in the minds and the hearts of all Australians. I say to our Vietnam veterans that we honour everything you did. You deserve the respect and the affection of a grateful nation. We regret the inadequacies of the past, and we hope that the extension of the hand of friendship and honour by today's Australians will be of comfort and value to all of you.

**Mr BEAZLEY** (Brand—Leader of the Opposition) (2.11 pm)—On indulgence, I acknowledge the statements made by the Prime Minister and in particular his statement that he will keep in dialogue with the veterans community in relation to the issues about the awards associated with the Long

Tan battle that came to light when documents were released in 1996. I do hope that he and his minister can bring those discussions to a satisfactory conclusion from the veterans' point of view.

I wanted today to have a couple of speakers on this matter. Time pressures make that difficult. Therefore I wished to ask our member for Cowan to speak on behalf of the opposition. He, however, said he thinks I ought to speak on behalf of the opposition as the leader of the party. Therefore I will meet things halfway. I will take advantage of your indulgence and read a letter that the member for Cowan wrote to me, and that will suffice for my remarks. I will say no more. He wrote:

I have just been advised that the Prime Minister will only allow one speaker on this important statement before the house today.

I thank you for the opportunity to be our speaker but I believe that our recognition of the service, sacrifice and suffering of Vietnam veterans should rightly come from you, as our Leader.

I would however be pleased if you could perhaps consider just a couple of things.

I noted that at the Launch of the book *Vietnam Our War—Our Peace* the Minister for Veterans Affairs offered an apology to Vietnam Veterans for the actions of all who opposed the war.

Kim, many good Australians opposed that war and not all who opposed the war took it out on the troops. My father for instance strongly opposed the war. I remember too that Senator John Wheel- don, a former Labor Minister for Repatriation, was a bitter opponent of the war but he was incredibly compassionate toward the individual veterans and strongly supportive of their needs.

Equally it should be said that not all who supported the war supported the troops, and even to this day many Vietnam Veterans refuse to join the RSL because of the treatment they received on their return home.

Had I the opportunity to speak today I would have taken the time to publicly forgive the person from my mother's church in Scarborough who

wrote an anonymous letter to my mother saying she hoped I died as a result of my wounds, as I was a killer.

I could not have found it in my heart to say those words a few years ago but it is time to move on.

Kim today is not a day to enter into the divisive issues surrounding Australia's involvement in that war.

Today is a day when our Federal Parliament should honour our Vietnam Veterans, recognise their service and say to them that they did a good job in the best tradition of the Anzacs.

It is also a time when we should remember the sacrifice of those who did not come home at all.

It is a day when we should remember the Regulars and the National Service men who confronted their enemy on his home ground and who never took a backward step.

To say to them, our veterans, that we understand the difficulties of those who suffer Post Traumatic Stress Disorder and that we recognise and respect the love and loyalty of the families of veterans, particularly the wives, the partners and the children.

Today is a day when we should say we are proud of our Vietnam veterans. A day when we honour and recognise their sacrifice, their service and their suffering.

I think it is also a time to reflect on the horror of war, the lasting trauma of those involved and the terror and suffering of innocent civilians caught in the devastation of war.

I just also want to thank you for your support in Government of the Welcome Home Parade. I know there are many veterans in Australia who would not have made it to that incredibly warm and emotional parade if you had not pitched in to ensure the support of defence and other government agencies to get them there and home again.

Kim, can I just say those who served Vietnam either on the ground, in the air or on the waters served as a team.

We would enhance our support today if once again we could become a team and work together to support each other.

Kim I said earlier that it is time to move on.

Last night I had dinner with the Vietnamese Ambassador. As we left the table he said to me that both our countries must look to the future.

I agree. I would wish him and his children, indeed all the children of the world that which was most elusive during the last century—peace.

In closing Kim I want to say I am proud to have served my nation and proud of all who served with me.

I am proud of my mates and the contribution they made to Australia.

I take pride in their mateship.

I don't need anyone's apology for that.

**Honourable members**—Hear, hear!

#### QUESTIONS WITHOUT NOTICE

##### Sex Discrimination Commissioner

**Ms ROXON** (2.16 pm)—My question is to the Prime Minister. Can the Prime Minister confirm that the Sex Discrimination Commissioner has recently been reappointed for three years, after the expiry of her five-year appointment on 30 July this year? Why has the government kept this reappointment secret when the established practice is to announce such appointments publicly? Is the Prime Minister providing Pru Goward with a \$253,000 safety net, including an accommodation allowance, in case, despite his support, Ms Goward is denied preselection by the extreme right-wing New South Wales Liberal Party?

**Mrs Mirabella**—Feminist hypocrite!

**Mr HOWARD**—My understanding is that Ms Goward has been reappointed. I will check with the Attorney-General as to the Executive Council and subsequent processes on whether there has been an announcement made. My understanding is that a person who is in a situation such as Pru Goward's is entitled to seek political endorsement and is entitled to retain—

**Ms Roxon**—Why is it a secret?

**Mr HOWARD**—hang on—his or her position until such time, if they are successful in the preselection, as nominations are called. My recollection, for example, is that the former Solicitor-General of the Commonwealth, Bob Ellicott, contested the preselection for Berowra. He was unsuccessful in the preselection. So was I, incidentally. I remember the preselection very well. He did not have to resign his position as Solicitor-General in order to contest the Liberal Party preselection. The basis of the argument of the member for Gellibrand is that we are trying to preserve a sinecure for somebody while they contest a political preselection. Just for the information of the honourable member: I am completely neutral in the preselection. I am not supporting anybody.

**Ms Gillard**—Mr Speaker, I rise on a point of order. In the course of that question the member for Indi made an offensive remark about the member for Gellibrand and I ask that you have her withdraw it.

**The SPEAKER**—I did not hear the interjection. However, if the member for Indi made an offensive remark, I would ask the member for Indi to withdraw that remark.

**Mrs Mirabella**—There was no offensive remark. The member for Gellibrand, who herself is part of a quota system, is a token female here.

**The SPEAKER**—Order! The member for Indi will resume her seat.

##### Nuclear Energy

**Dr SOUTHCOTT** (2.19 pm)—My question is addressed to the Minister for Foreign Affairs. Would the minister—

**Ms Roxon**—Mr Speaker, I rise on a point of order. I thought the member for Lalor made the point clearly, but I do ask that the comment be withdrawn.

**The SPEAKER**—I asked the member for Indi if she made an offensive remark. She informed me that she did not. I will have to take the member's word on this.

**Ms Roxon**—Mr Speaker, on a further matter, I seek leave to table a document listing the appointments that were announced by the Attorney on 28 July, which does not include that of the Sex Discrimination Commissioner, who was also reappointed on that day.

Leave granted.

**Ms Roxon**—I thank the House.

**Mr Albanese**—Mr Speaker, I rise on a point of order further to the points of order raised by the member for Lalor and the member for Gellibrand. Am I to take it that your ruling is that people will be able to judge for themselves the nature of the offensive remark—that is, whether or not it is offensive—or the person so offended will, as standing orders clearly state?

**The SPEAKER**—Order! The member for Grayndler has made his point. I will rule. As has been the case with previous occupiers of the chair, when the chair does not hear a remark the chair calls upon the member who has been asked to withdraw to say whether or not an offensive remark has been made. The member has assured the chamber that it was not an offensive remark. The chair can take it no further.

**Mr Tanner**—Mr Speaker, I rise on a point of order. Last year you threw me out for calling the Prime Minister a hypocrite.

**The SPEAKER**—Order! The member for Melbourne will resume his seat. That is not a point of order. If the member for Melbourne has a point of order, he will come to it and not debate.

**Mr Tanner**—The member for Indi called the member for Gellibrand a hypocrite. You

should require her to withdraw. You required me to withdraw the same accusation against the Prime Minister last year. It is about time we had fair treatment for members on this side.

**The SPEAKER**—I call the member for Indi, but before doing so I remind the member for Melbourne he will not reflect on the chair. Did the member for Indi refer to another member as a hypocrite?

**Mrs Mirabella**—Mr Speaker, I am not sure which part of my phrase was offensive—

**The SPEAKER**—Order! The member for Indi will respond to my question!

**Mrs Mirabella**—whether the member for Gellibrand was a feminist or whether she was a hypocrite. Which part is offensive?

**The SPEAKER**—The member for Indi will withdraw that remark!

**Mrs Mirabella**—If the truth hurts I withdraw the remark.

**The SPEAKER**—The member for Indi will withdraw without reservation.

**Mrs Mirabella**—I do withdraw.

**The SPEAKER**—I call the member for Boothby.

**Dr SOUTHCOTT**—My question is addressed to the Minister for Foreign Affairs. Would the minister update the House on Australia's role in ensuring international nuclear safeguards and nonproliferation? Is the minister aware of any criticisms of Australia's role?

**Mr DOWNER**—I thank the honourable member for Boothby for his question. I think members will be aware he is the Chairman of the Joint Standing Committee on Treaties, and at the moment they are examining the nuclear safeguards agreement that we have negotiated with China, so he has a real un-

derstanding of these issues. In answer to the honourable member's question, let me say that Australia is at the forefront of international efforts to control the spread of nuclear weapons and nuclear materials that could be used in weapons systems and to ban weapons testing.

As the foreign affairs minister, I introduced into the United Nations General Assembly in September 1996 the comprehensive test ban treaty, which was adopted by the General Assembly. We in Australia have the world's most rigorous uranium export safeguards—and with 40 per cent of the world's known exploitable and commercially available uranium it is important we do. Australia is a very active member of the Nuclear Suppliers Group and also of the International Atomic Energy Agency. No country has a more diligent record than Australia. As the House and the honourable members know, the Prime Minister has commissioned a review of uranium mining and processing and nuclear energy, and I think this is a responsible thing to do so that we can have a serious debate about these issues.

There has been some criticism, in particular from the Leader of the Opposition, who said on the ABC on 24 July:

I'm not going to move to support enrichment and nuclear power because I think that's the policy of an idiot ...

I would draw the House's attention to the fact that France, the United Kingdom, the United States, Japan and many other countries in the world use nuclear energy, so the suggestion that somehow these countries are run by idiots or have the policies of idiots is, I would have thought, a bizarre thing for the Leader of the Opposition, who aspires to be the Prime Minister, to say. He said on the same day to the Sydney Institute—and this was, after all, in a written speech—that our consideration of these nuclear issues:

... sends the wrong message to the region. There is no question that Australia would be less secure, and not more, if our neighbours believe we have nuclear ambitions.

I do not think that is actually a responsible thing to say. This country does not, of course, have nuclear weapons ambitions, and everybody in the region knows it. To suggest that a country which is considering issues like nuclear power is also considering nuclear weapons and that others in the region would think that is, to say the least, utterly absurd. Japan, South Korea, Thailand, Vietnam and Indonesia all either have nuclear energy programs or at least are considering them.

The simple fact is that the people of Australia deserve to have a more mature debate on these sorts of issues than those kinds of statements suggest. I certainly think that it is quite the wrong thing to drum up antagonism towards this country in the region just in order to make a political point.

#### **DISTINGUISHED VISITORS**

**The SPEAKER** (2.27 pm)—I inform the House that we have present in the gallery this afternoon members of a parliamentary delegation from the United Kingdom. On behalf of the House I extend to them a very warm welcome.

**Honourable members**—Hear, hear!

#### **QUESTIONS WITHOUT NOTICE**

##### **Council for Australian-Arab Relations**

**Mr RIPOLL** (2.27 pm)—My question is to the Prime Minister. Will the Prime Minister confirm that his government has just appointed Pru Goward chairwoman of the Council for Australian-Arab Relations, replacing former AWB chairman Brendan Stewart? Are the relations that Ms Goward will be improving those between herself and the 100 Arab branch stacks recruited into the Cherrybrook branch by his extreme right-

wing faction, which has taken over the New South Wales Liberal Party?

**The SPEAKER**—Order! The Prime Minister may answer the first part of the question; I do not think it is necessary to answer the second part.

**Mr HOWARD**—The answer to the first part of the question is yes. The answer to the second part of the question is: there is no connection at all.

*Honourable members interjecting—*

**The SPEAKER**—Members are holding up their own question time.

#### **Taxation**

**Mr FAWCETT** (2.28 pm)—My question is addressed to the Treasurer. Would the Treasurer update the House on what the government is doing to crack down on tax fraud and to defend the integrity of Australia's tax system?

**Mr COSTELLO**—I thank the honourable member for his question. I can inform him that in 2004 the government set up Project Wickenby, a project funded with \$300 million to investigate international tax evasion and tax fraud. This dedicated operation brings together the Australian Taxation Office, the Australian Securities and Investments Commission, the Australian Crime Commission, the DPP, the Australian Federal Police and AUSTRAC. Under the investigation to date, three people have been arrested and charged with conspiracy to defraud the Commonwealth and assets have been frozen in relation to persons of interest.

The international scams which are being investigated under Project Wickenby have the capacity to threaten the integrity of the Australian taxation system. Today I am announcing that the government will introduce legislation to enable the agencies involved in Project Wickenby to share information between themselves which will assist in bring-

ing successful prosecutions. These prosecutions will be not just in the tax area but in other areas, including money laundering.

Separately but related to that I am announcing a larger project to review the laws that protect taxpayer secrecy and disclosure between various agencies of government. This project will be commenced with the release of a discussion paper looking at existing secrecy and disclosure provisions from around 30 tax acts and proposing to standardise them in a way which will clarify the operation of the provisions and provide increased certainty for taxpayers and tax officials. This is part of a program which is continuing to simplify the operation of Australia's taxation laws.

In relation to Project Wickenby, I can inform the House that this government will adequately fund and see through that investigation into international tax evasion, which this government will not countenance and which, if it were left unchecked, would undermine the Australian taxation system.

#### **History**

**Mr BEAZLEY** (2.31 pm)—My question is to the Prime Minister. I refer the Prime Minister to the history summit being held in Canberra today and the importance of teaching pivotal facts. Given the Prime Minister is so interested in history, when interest rates hit 21.39 per cent in 1982, who was Treasurer?

**Mr HOWARD**—Well, Mr Speaker, I tell you what—

*Opposition members interjecting—*

*Mr Bevis interjecting—*

**The SPEAKER**—Order! The member for Brisbane is warned!

*Ms Gillard interjecting—*

**The SPEAKER**—The Manager of Opposition Business is warned too. The level of interjection is far too high. I call the Prime Minister.

**Mr HOWARD**—Mr Speaker, I tell you what, it was not the bloke who was Treasurer when the overnight rate hit about 23 per cent in 1973.

#### **Education Exports**

**Mr CAUSLEY** (2.33 pm)—My question is directed to the Deputy Prime Minister and Minister for Trade. Would the Minister for Trade inform the House how education has contributed to our strong export performance? How does this compare with previous years?

**Mr VAILE**—I thank the member for Page for his question. The member for Page would be well aware of the great export earning effort that is being contributed to by the education sector, given that Southern Cross University is in Lismore in his electorate and has other campuses along the mid-North Coast of New South Wales.

In 2005-06 the return to Australia from education exports hit a record figure of \$8 billion, rising 13 per cent on the previous year. That \$8 billion earned for the Australian economy was through the export of education services delivered both onshore and offshore, in person and through the internet. Education services are now our fourth largest export earner—hitting a record—one of the top four export earners in 2005-06. It is an extraordinary result. It has been achieved not just by the universities in Australia—as I indicated, Southern Cross University is in the electorate of the member for Page—but by other educational institutions also exporting their services to the world.

Over the last 10 years there has been a dramatic increase in export earnings from education—in fact, a 320 per cent increase. In 1996 export earnings from the education

sector were only \$2.5 billion. They have now risen to \$8 billion. As I say, it is our fourth largest export earner. Australian universities now have enrolments from students from more than 160 countries across the globe. It is helping to build a larger critical mass in our universities in Australia. In 2005, enrolments from China alone passed 81,000 students, and enrolments of students from India grew 33 per cent to 27,500. These exports growing in key markets are not only producing export income; part of this process is developing key cross-cultural ties with many countries across the world. Offshore students being educated in Australian universities go on to be business leaders and political leaders in those countries. It stands Australia in good stead in terms of the relationship between ourselves and many of our near neighbours.

Labor says it wants to establish world-class universities in Australia. We already have them. Those students coming to Australia to get their education here are voting with their feet. They are flocking to Australian universities. So not only have we expanded our base of education export services in Australia but we are also providing a lot more education places in our universities for Australian students. We are building critical mass in our education system in Australia, particularly in our universities, and at the same time creating many more jobs in the Australian economy through our exports.

#### **Chickens**

**Mr PRICE** (2.36 pm)—My question is to the Treasurer and Deputy Leader of the Liberal Party. I refer the Treasurer to table 1B in the latest version of the Australian Bureau of Statistics publication 7215, showing that the trend annual growth in chicken slaughter was: 1.4 million extra chickens every year under the Whitlam government; 2.8 million chickens under the Fraser government; 2.2

million chickens under the Hawke and Keating governments; and 2.6 million chickens every year under the Howard government, with 110 million chickens now dying every year. Will the Treasurer confirm that chicken deaths will always be higher under a Liberal government than under a Labor government?

**Miss Jackie Kelly**—Mr Speaker, I rise on a point of order. That question—which is barely a question—is pure ‘poess’ and should be ruled out of order.

**The SPEAKER**—I call the member for Bonner.

#### Youth Employment

**Mr VASTA** (2.38 pm)—Mr Speaker—

*Ms Gillard interjecting—*

**The SPEAKER**—Order! I remind the member for Lalor that she is on thin ice.

**Mr VASTA**—My question is addressed to the Minister for Employment and Workplace Relations. Would the minister advise the House how young workers are sharing the benefits of record low unemployment? How will the government’s new workplace reforms benefit young workers? Is the minister aware of any groups seeking to mislead young workers?

**Mr ANDREWS**—I thank the member for Bonner for his question and his interest in jobs for young Australians. I can inform him that the teenage full-time unemployment to population ratio, which refers to the proportion of the total teenage population unemployed and looking for full-time work, declined to just 4.4 per cent in July, which is well below the peak of 10.1 per cent which was recorded in July 1992, when the Leader of the Opposition was then the Australian employment minister.

In 1996, the Leader of the Opposition told young Australians that the Howard government’s workplace reforms would ‘put young

Australians at a disadvantage’. The reality is just the opposite. What they have done is provide greater opportunities for young Australians to get into the workforce—as shown by the fall from 10.1 per cent to 4.4 per cent. Not much has changed in 10 years, because, 10 years later, the Leader of the Opposition is still trying to scaremonger amongst young workers about workplace reform. He has said:

Mums and dads know that John Howard’s industrial relations laws are throwing their children to the wolves.

Again, the data reveals that that is just not the case. The member for Bonner also asked me whether there are any attempts to mislead young Australians on these matters. I came across an interesting new curriculum which is being propagated by the labour movement, particularly in New South Wales, for teachers to deliver to their students. The content of these union lessons to be delivered, which are on their website, is quite concerning. For example, there is an activity that says:

Teacher roleplays with students. As the call-centre employer teacher begins to change the conditions of work by setting time limits or quotas on simple tasks. Students complete tasks and teacher pressures them. Conflict is created.

So the union movement’s idea of industrial relations, what they are saying to teachers and students through this curriculum, is: ‘We should go out there and create conflict.’ That is the union movement’s idea of industrial relations. There is another case study on this website which is teaching students to become xenophobic by teaching them to fear having their jobs go to foreign workers. This is a curriculum promoted by the union movement for students in our schools, from years 7 to 10. Why are the labour movement and the Labor Party promoting xenophobia amongst students in our secondary schools in Australia?



As the data which I used at the outset of this question illustrates, the reforms of both 1996 and this year are actually about creating more jobs for young Australians and putting protections in there for Australians. The Leader of the Opposition and the unions are more concerned with and focused on filling young Australians with fear rather than with facts.

#### **Oil for Food Program**

**Mr RUDD** (2.42 pm)—My question is to the Minister for Foreign Affairs. I refer to a confidential cable to the minister of October 2003 on the \$300 million ‘wheat for weapons’ scandal, on which he was questioned by the Cole inquiry, which states that the Australian embassy in Washington had been advised by the US state department that ‘scrutiny of oil for food contracts revealed that 10 per cent had been added to the price of every oil for food contract’. Given that this was the 19th warning that the government had received about corrupt AWB payments to Saddam Hussein’s regime, why did the government later direct Australia’s ambassador in Washington to tell the Americans that accusations against the AWB were false? Is it not a fact that the government directed our ambassador to lie to the Americans to save the government from political fallout just prior to the last Australian federal election?

**Mr DOWNER**—No, it is not.

#### **Mackay Base Hospital**

**Mr NEVILLE** (2.43 pm)—My question is addressed to the Minister for Health and Ageing. With due deference to my Central Queensland colleague the member for Dawson, I ask: is the minister aware of claims of alleged serious malpractice at Mackay Base Hospital? What is the government’s response?

**Mr ABBOTT**—I thank the member for Hinkler for his question, and I do appreciate that he is asking it on his own behalf and, in

effect, on behalf of the member for Dawson as well. I appreciate that the member for Hinkler has seen at close quarters the human damage that can be inflicted by a secretive and coercive culture in health institutions. When allegations were made of surgical incompetence at Bundaberg Hospital, the whistleblowers were ridiculed and vilified but ultimately vindicated by a royal commission.

Now the member for Dawson has made allegations of serious misconduct at Mackay Base Hospital based on information provided to her by credible health professionals. Today I have written to the Queensland health minister asking him to establish a full, open and independent inquiry into these allegations. The member for Dawson, in two speeches to this House, has claimed that an underqualified surgeon worked at Mackay Base Hospital without supervision, that the hospital knew that this doctor was working without the required supervision, that at least 10 patients had botched operations performed on them by this underqualified surgeon working without proper supervision and that staff complaining about this have been subject to bullying and harassment.

I stress that these are allegations—albeit allegations based on evidence provided by credible people. I do not want to prejudge this matter, but there is a very serious problem when potential misconduct is swept under the carpet by a secretive and coercive health structure. This matter does need to be investigated, and an investigation should not be put off until after the election, if confidence in the Queensland public hospital system is to be maintained. In my letter to the Queensland minister, I have suggested a means by which an inquiry could be expedited. This is a serious matter and it does deserve urgent attention. I table my letter to the Queensland health minister.

### Oil for Food Program

**Mr BEAZLEY** (2.46 pm)—My question is to the Minister for Foreign Affairs, and it follows the minister for health's concerns about misconduct being swept under the carpet. I refer him to an internal email from his department—

*Government members interjecting—*

**Mr BEAZLEY**—yes, but not unto yourselves—

**The SPEAKER**—Order! The member will come to his question.

**Mr BEAZLEY**—from November 1999, which has just been released by the Cole inquiry. Isn't it a fact that this email refers to discussions with the AWB on your department's concerns about the AWB breaching UN sanctions against Iraq back then, in 1999, but that your department concluded: 'AWB may have been doing this for some time, but there is no benefit in launching a witch-hunt at this stage'? Why didn't the government investigate the AWB's activities at this time when the \$300 million 'wheat for weapons' scandal was in its infancy? Or was this part of the government's pattern of ongoing collusion with the AWB over the five years that this scandal then ran?

**Mr DOWNER**—Let me explain that, very obviously, there was no collusion over several years by the government in relation to the AWB, nor has there been an attempt by the government to cover up. I would have thought—and I might be wrong—that something like 60 days worth of public hearings by the Cole commission, including substantial interviews, cross-examinations and examinations of officers of the Department of Foreign Affairs and Trade—which, if the Leader of the Opposition chose, he may wish to read—would have revealed precisely what the department knew, what it did not know, what it did do and what it did not do. The Minister for Trade appeared before the

commission, and I myself spent around four hours before the Cole commission answering questions. The Prime Minister did likewise.

The opposition asked questions on this topic on every single day—I think almost without exception—for the first three months of this year. We have been exhaustive in providing information. When the Cole commission endeavoured to get still further information from AWB Ltd, we have gone so far as to not only set up the Cole commission so that an independent commission can get to the heart of this matter but even amend legislation to facilitate his access to documentation.

*Mr Rudd interjecting—*

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

**Mr DOWNER**—The suggestion from the Leader of the Opposition, who obviously did not follow the hearings of the Cole commission—

*Mr Beazley interjecting—*

**Mr DOWNER**—No, you did not. You are too lazy to follow something like that. You are a lazy, idle man who has not followed it, and you do not know your job. You would not have asked a silly question like that if you had been following the Cole commission.

**The SPEAKER**—Order! I remind the Minister for Foreign Affairs that he will refer to members by their seat or title.

### Queensland Transport Infrastructure

**Mr CAMERON THOMPSON** (2.50 pm)—My question is to the Minister for Transport and Regional Services. Would the minister advise the House on the progress of vital transport infrastructure works in Queensland? Is the minister aware of any alternative policies?

**Mr TRUSS**—I thank the honourable member for Blair for the question and recog-

nise his particular interest in major road projects in Queensland, like the Ipswich Motorway and the Goodna bypass, for which he has been a champion over recent years. The Australian government has been working diligently to endeavour to get some of these projects up and running so that the people of Queensland can benefit from the \$3 billion that this government has committed to Queensland for road and rail infrastructure under the AusLink program.

Unfortunately, the Queensland government continue to dither and procrastinate while the cost of all these projects just goes through the roof. The Queensland government, for instance, keep demanding that the Australian government allocate more money for the Ipswich Motorway. We have provided \$556 million under AusLink already and they demand more. The reality is that, at the end of June this year, of that \$556 million—

*Mr Ripoll interjecting—*

**The SPEAKER**—The member for Oxley.

**Mr TRUSS**—that is available to the Queensland government, they had spent only \$58 million—that is, only \$58 million out of the \$556 million.

*Mr Ripoll interjecting—*

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

**Mr TRUSS**—Yet they run a campaign demanding the Australian government contribute more. Of course, there will be a lot more work to be done on that project.

*Mr Ripoll interjecting—*

**The SPEAKER**—Order! The minister will resume his seat. The member for Oxley will excuse himself under standing order 94(a).

*The member for Oxley then left the chamber.*

**Mr TRUSS**—It is a disappointment the member for Oxley is not available to hear something about the failure of the Queensland government to get on with an important construction job in his electorate, because the reality is this is an important project which this government is committed to and for which it has been prepared to provide financial resources.

A little further north, I have reported to the House on a number of occasions on our efforts to upgrade the Bruce Highway and the significant commitment that has been made to planning for new routes to make four-lanes on the highway between Curra and Cooroy, only to find out after a year and a half on the job that the Queensland government has decided to flood nine kilometres of the road—not build new dams on the sites that have already been acquired but instead flood some of the existing highway.

This is typical of the lack of planning and foresight of the Queensland Labor government. They sat by while the population of south-east Queensland grew—they boasted about it—but there are no plans to provide the adequate infrastructure. In addition to that, it took a water restriction on the rose garden at Parliament House before they actually realised that the state was in 10 years of drought and was running out of water. This is the kind of incompetent planning of infrastructure that makes up the alternative policies of Labor in Queensland.

The determination of the Queensland government to always blame the federal government for all its troubles is quite extraordinary. The members representing Gold Coast seats would be well aware of the campaign and literature being distributed by Mr Lucas, the minister for transport in Queensland. He is always happy to take credit when federal government money is being provided for a state job, but when the funding is not to his

satisfaction he blames the federal government for not having funded Queensland government roads and sends circulars out to everybody that say: 'This road can't go ahead because the Australian government haven't provided funding for a road that is actually their responsibility.' This is typical of a government that has lost sight of its objectives and the reason for governments to provide infrastructure and planning. We will get on with the job. A change of government in Queensland would make a real difference to delivery of infrastructure in that state.

#### **Oil for Food Program**

**Mr RUDD** (2.54 pm)—My question is again to the Minister for Foreign Affairs. I refer the minister to an email from the Australian embassy in Oman to the AWB nine months before the Iraq war, which has just been released by the Cole inquiry. I refer specifically to the embassy's meeting with Mr Jamal Shareef Hazaa and the embassy's report of Mr Hazaa's close connections with senior figures in the Iraqi regime, including with Saddam Hussein himself. I also refer the minister to the embassy's statement in this email that they would be prepared to arrange an introduction between the AWB and Mr Hazaa, using his direct connections with the Iraqi dictator and his offer to enhance AWB sales to Saddam by 'working behind the scenes'. Can the minister inform the House whether it was appropriate for the government to be offering matchmaking services between the minister's close friends in the AWB and Saddam Hussein's inner circle, or was this seen by the government as 'business as usual' in cuddling up to the Iraqi dictator just prior to going to war?

**The SPEAKER**—Order! The Minister for Foreign Affairs can ignore the last part of that question.

**Mr DOWNER**—All of these issues are being canvassed before the Cole commis-

sion, and we look forward to the Cole commission producing its report.

*Mr Beazley interjecting—*

**Mr DOWNER**—They have been released by the Cole commission, you halfwit!

**The SPEAKER**—Order! The Minister for Foreign Affairs will withdraw that last remark.

**Mr DOWNER**—I withdraw, Mr Speaker.

#### **Australian History Summit**

**Mrs BRONWYN BISHOP** (2.56 pm)—My question is addressed to the Minister for Education, Science and Training. Would the minister update the House on today's Australian History Summit? Is the minister aware of any views being expressed that the teaching of Australian history is not important?

**Ms JULIE BISHOP**—I thank the member for Mackellar for her question and acknowledge her interest in the teaching of Australian history in our schools. I can report to the House that the Prime Minister opened the Australian History Summit today in Parliament House. There are 23 participants in this summit, ranging from eminent historians and teachers to educators and curriculum developers. The summit participants will be providing advice to the Australian government on how we can strengthen the teaching of Australian history in our schools.

During the opening this morning, the Prime Minister announced that the Australian government will be contributing \$100,000 annually for a Prime Minister's Australian history prize. This substantial amount will be for a substantial work: a book, a film or a documentary. As it is an annual prize, we hope that it will attract not only historians and teachers but also the broader community. This prize highlights the government's commitment to ensuring that Australian history is taught, and taught properly, in our schools. The member for Mackellar asks me if there

are other views. This morning the member for Lilley, referring to the Australian History Summit, said it was ‘all about spreading mass confusion’.

**Mr Howard**—He didn’t say that, did he?

**Ms JULIE BISHOP**—I am afraid so, Prime Minister—that is what the member for Lilley said. It seems that the only confusion on this issue is in fact on the Labor side of the House. A few months ago, it was reported in the *Canberra Times* that ‘students needed to be taught the narrative history of this country.’ The Prime Minister could have said that, but indeed it was the Leader of the Opposition who said that. A few months ago the Leader of the Opposition was saying that students needed to be taught the narrative history of this country and yet, a few months later, Beazley was ‘against the history revival’ and in fact dismissed the teaching of traditional Australian history in schools as an ‘elite preoccupation’. So while there is clearly confusion on the part of the Leader of the Opposition—and the Australian public are entitled to be confused about where he stands on this and many other issues—I can assure Australian parents that I will be listening to the advice from the summit participants and that I will be working with education authorities to ensure that the teaching of Australian history takes its rightful place in Australian schools.

#### **Workplace Relations**

**Mr STEPHEN SMITH** (3.00 pm)—My question is to the Minister for Employment and Workplace Relations. I refer to Qantas’s \$670 million yearly profit, announced today, and CEO Mr Geoff Dixon’s confirmation in announcing the profit that both Qantas and Jetstar will utilise the government’s AWAs. I also refer to the Prime Minister’s statement in the House earlier this week in regard to Jetstar’s AWAs:

... this is not the result of Work Choices; it is the result of the normal operations of the labour market ...

Isn’t it the case that Mr Dixon made clear in October and November last year that Qantas welcomed the government’s legislation and would use AWAs? Minister, isn’t Qantas doing exactly what the government wants it to do under its legislation—embarking on a wages race to the bottom, from Jetstar to Qantas?

**Mr ANDREWS**—In answer to the question from the honourable member for Perth, Qantas is doing what the government wants it to do—that is, creating jobs for Australians. What the opposition does not seem to understand is that Qantas, through the Jetstar subsidiary, just in the last week has created 200 new jobs for Australians. In this debate, the one word you will never uttered hear from the lips of the Leader of the Opposition is ‘jobs’. When did anybody in Australia last hear the Leader of the Opposition or the Labor Party talk about jobs? To quote Mr Dixon, the CEO of Qantas:

We have created jobs, unlike just about every other airline in the world. We can continue to create jobs if we can change the way we operate further, and we are going to do that.

This government supports Mr Dixon and Qantas in creating jobs.

#### **Greenhouse Gas Emissions**

**Mr LAMING** (3.02 pm)—My question is to the Minister for Industry, Tourism and Resources. Is the minister aware of reports of a new emissions trading scheme announced yesterday? What is the government’s response to such a scheme?

**Mr IAN MACFARLANE**—Mr Speaker—

**Mr Tanner**—Give us that lecture about—

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

**Mr IAN MACFARLANE**—Happy to, any time, mate.

**Mr Tanner**—It was a good economics lecture—

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

**Mr IAN MACFARLANE**—Well, that's fixed him! I thank the member for Bowman for his question and also for his interest in ensuring that Australia's economy continues to grow. In its climate change policy this government has the balance right between lowering emissions and maintaining economic growth. Companies like Xstrata, for instance, have benefited from that policy. Xstrata not only is the biggest exporter of coal in Australia but pays almost \$1 billion in taxes, earns billions of dollars in exports and employs 5,000 people in the coal industry and some 3,000 people in the base metals industry, all of whose jobs would be in danger if the policies of those opposite and of their counterparts at a state level in regard to emissions trading were adopted.

Yesterday the states launched their plans for an emissions trading scheme, which by their own admission will increase the price of electricity and drive Australian industry, jobs and investment offshore. But don't take my word for it—let us listen to what some Australian organisations have said. The Australian Chamber of Commerce and Industry have said that the states' proposal will 'reduce the international competitiveness of our strongest industries'. They go on to say: 'On just about any rational policy measure it's a failure, and more about political symbolism than achieving real results.' There are even those in the Labor Party who would agree with that.

The Premier of Western Australia has rejected the scheme outright, saying it raises 'a number of concerns for WA, including the possible impact on the WA economy and

electricity costs for WA consumers'. In Queensland, Premier Beattie is trying to walk both sides of the street. In one breath he has described Australia's emissions as 'chickenfeed' and yet in the same breath he has not committed Queensland either to supporting the scheme or to opposing the scheme. It is about time Peter Beattie stopped walking both sides of the street and was honest with Queenslanders about putting Australia's interests first and about putting their jobs first. Any concerns state premiers may have will be swept aside if the Leader of the Opposition ever gets into power and puts in place his emission trading scheme. It will not only slow economic growth; it will increase the price of electricity and petrol and cost Australians jobs.

#### **Greenhouse Gas Emissions**

**Mr ALBANESE** (3.06 pm)—My question is to the Minister for Industry, Tourism and Resources. Is he aware of these comments made by the Minister for the Environment and Heritage during Senate estimates hearings on 16 February of this year in relation to emissions trading:

I think carbon trading schemes are part of the policy answer ... There is nothing radical about supporting trading schemes.

Is the minister also aware of these comments made by the Minister for Foreign Affairs on 31 July 2005:

We know that emissions can't continue at their current rate ... we'll have to investigate price signals coming from energy ... You can get more investment into cleaner energy through changing pricing signals ...

Does the minister agree with these comments? If so, when will emissions trading become part of the Howard government's policy answer, as proposed to cabinet by the Treasurer and the then environment minister in their 2003 submission—a submission supported by your department?

**The SPEAKER**—Order! The member for Grayndler will be aware that it is not in order to ask a minister to comment on another minister's quotations. However, if the minister chooses to answer the question, I will call the Minister for Industry, Tourism and Resources.

**Mr IAN MACFARLANE**—Thank you, Mr Speaker. Of course I would never take the member for Grayndler's quotes without first checking them against the record. The reality is that the solutions to lowering Australia's emissions and lowering the world's emissions lie in technology. That is the policy that this government has adopted.

*Mr Albanese interjecting—*

**The SPEAKER**—Order! The member for Grayndler has asked his question.

**Mr IAN MACFARLANE**—The Labor Party is quite happy to trade away the jobs of Australians in pursuit of an idealistic policy. This government will never trade away Australian jobs. We will always find practical solutions that lower greenhouse gas emissions.

#### **Younger People in Nursing Homes**

**Mrs MAY** (3.08 pm)—My question is addressed to the Minister for Families, Community Services and Indigenous Affairs. Would the minister advise the House on government initiatives to bring about a reduction in the number of young disabled people living in residential aged care?

**Mr BROUGH**—I thank the member for McPherson for her question. It is a sad reality today that there are too many young Australians who are inappropriately being housed in aged care facilities. These are people who, through either disease or accidents, find themselves in an aged care facility simply because there is no appropriate place for a young person to get the care they need in a safe environment.

The fact is that the housing of people with disabilities, under the disability agreement, is a state responsibility. But back in February, due to the leadership of the Howard government and particularly the Prime Minister, the federal government signed an agreement in the COAG process allocating \$244 million to this particular cause of removing young people from aged care facilities and housing them in appropriate accommodation that will meet their lifestyle needs.

This is an important initiative, and today I can inform the House that three of the states have now signed direct bilaterals with the federal government. For the information of honourable members, Victoria, South Australia and Queensland have done so, and negotiations are under way with two other states. Can I suggest to the other states that are still discussing this matter—this is the most polite way I can do it—that an aged care facility is not an appropriate place for a young person to be and we should all be making every effort to honour the agreement that was made in February to have these young people removed.

I took the step, along with the states, of advertising throughout Australia back on 15 July for expressions of interest on appropriate ways to house people in these various circumstances. We have been overwhelmed by the response that we have had from individuals, community organisations and care groups. In fact I have had over 140 inquiries thus far, and some very innovative approaches have been brought forward.

The aim of this initiative is to ensure that we move young people with a disability into appropriate residential care, to help those who wish to remain in an aged care facility for various reasons to have the appropriate level of care provided to them and also to assist those who are not in an aged care facility to be able to remain in appropriate care.

This does require everybody's effort. It requires the states to work with us to ensure that we meet our objectives of having fewer young people in aged care facilities and that they are housed in an appropriate form of care, recognising their needs as Australians who should be able to have a full life expectancy that otherwise they are denied when they are put in inappropriate circumstances in aged care facilities.

**Mr Swan**—Could the minister please table the notes from which he was quoting?

**The SPEAKER**—Was the minister reading from confidential notes?

**Mr BROUGH**—The member for Lilley must be short of sight; I hardly read a thing, Mr Speaker. These are confidential notes.

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

#### QUESTIONS WITHOUT NOTICE: ADDITIONAL ANSWERS

##### Aviation Security

**Mr TRUSS** (Wide Bay—Minister for Transport and Regional Services) (3.11 pm)—Mr Speaker, I seek the indulgence of the chair to add to an answer.

**The SPEAKER**—The minister may proceed.

**Mr TRUSS**—Yesterday, the honourable member for Brisbane asked me a series of questions about security at Sydney airport, in particular in relation to the temporary fence that has been built as the new security fence while construction is occurring in one of the Qantas hangars. I will table some pictures of the fence which will demonstrate to anyone who cares to notice that it is a very substantial fence with barbed wire at the top. It meets all of the requirements for a security fence at an airport.

The honourable member for Brisbane then went on to wave around a timber chock, and he asked if this was the best practical meas-

ure the government could find to protect the Australian public from terror attacks at our busiest airport, after having said earlier that this chock was all that was keeping out terrorists from moving from the construction site to the secure area of the airport.

I was naturally concerned by the claims by the honourable member for Brisbane, and so I have arranged for the Office of Transport Security and the Qantas security people to examine the site and to look for a chock of the nature that the honourable member for Brisbane displayed to the House. We did find such a chock near to a door, and I have also brought along a picture of that chock. It is quite clearly rather like the one that the member for Brisbane displayed. However, the problem for the honourable member for Brisbane is that it was at an entrance to an office, an office that was entirely inside the construction site. There is no chock of the nature that the honourable member for Brisbane put on display that has had any part at all to do with the security fence surrounding the Sydney airport. His question was dishonest and he needs to acknowledge his error.

#### PERSONAL EXPLANATIONS

**Mr BEAZLEY** (Brand—Leader of the Opposition) (3.13 pm)—At seven o'clock this morning they were putting bolts on that door and then they put out a press release to say that they had already been there, and, Mr Speaker, I wish to make a personal explanation.

**The SPEAKER**—Does the honourable member claim to have been misrepresented?

**Mr BEAZLEY**—Yes, by the Minister for Education, Science and Training.

**The SPEAKER**—Please proceed.

**Mr BEAZLEY**—The Minister for Education, Science and Training said in the course of her remarks in discussing the issues related to her history conference that I had



stated two totally inconsistent positions. One was to support the idea of narrative history, and the other was to suggest that there ought to be a different priority associated with the advent of her conference, in which she implied that, because I thought it was not the best of ideas, I opposed the teaching of narrative history. I think it is very important that we all know who Blaxland, Wentworth and Lawson were.

**The SPEAKER**—The Leader of the Opposition will come to where he has been personally misrepresented.

**Mr BEAZLEY**—Aside from that, the simple fact of the matter is that I was misrepresented when she said that my position was inconsistent. I believe in the teaching of narrative history, but I also believe now that her priority should be apprenticeships—

**The SPEAKER**—The Leader of the Opposition has made his point.

**Mr BEVIS** (Brisbane) (3.15 pm)—Mr Speaker, I wish to make a personal explanation.

**The SPEAKER**—Does the honourable member claim to have been misrepresented?

**Mr BEVIS**—Indeed I have been.

**The SPEAKER**—Please proceed.

**Mr BEVIS**—The Minister for Transport and Regional Services just implied that the basis of the questions I asked him during this week was somehow false and that I had lied.

**Mr Tanner**—He said ‘dishonest’.

**Mr BEVIS**—He said that I was dishonest. The information contained in those questions was not only accurate but confirmed again when at seven o’clock this morning workers at Sydney airport were installing bolts to fasten a piece of timber to the floor of that plywood door which opens onto the restricted area of the airport.

**The SPEAKER**—The member has made his point.

**Mr BEVIS**—Mr Speaker, you heard the minister at some length and for some time impugning my integrity.

**The SPEAKER**—Order! The member for Brisbane will not debate the chair. The minister was adding to an answer.

**Mr BEVIS**—Yes. And I am making a personal explanation.

**The SPEAKER**—The member for Brisbane is making a personal explanation. The member will show where he has been personally misrepresented.

**Mr BEVIS**—I am in the process of doing that, Mr Speaker. Thank you. It was the case not only yesterday but also today as those bolts were being put in that piece of timber at seven o’clock this morning. The fence which the minister refers to is on only three sides of the hangar. The sliding door to which I referred is not the door that the minister talks about. He refers to a security fence that does not enclose the hangar.

**The SPEAKER**—The member for Brisbane has made his point.

**Mr TRUSS** (Wide Bay—Minister for Transport and Regional Services) (3.16 pm)—Mr Speaker, I wish to make a personal explanation.

**The SPEAKER**—Does the honourable member claim to have been misrepresented?

**Mr TRUSS**—Yes.

**The SPEAKER**—Please proceed.

**Mr TRUSS**—The honourable member for Brisbane has clearly misrepresented my response to his question. The honourable member for Brisbane brought into the House a chock. I have shown him an example of the only chock that we could find, of that size. The chock that he is referring to now is this one in the article that I have here.

*Opposition members interjecting—*

**The SPEAKER**—Order! The level of interjection is far too high. I believe the minister has shown where he has been misrepresented. Does the minister have anything further to show where he has been personally misrepresented?

**Mr TRUSS**—Mr Speaker, it is clear that the piece of timber referred to in this article is a couple of metres long. It is not a little chock like the one the member for Brisbane brought into the House—

**The SPEAKER**—The minister will resume his seat.

#### QUESTIONS TO THE SPEAKER

##### Unparliamentary Language

**Mr TANNER** (3.17 pm)—My question to you, Mr Speaker, again relates to your ruling with respect to unparliamentary language.

**Mr Tuckey**—Mr Speaker, I rise on a point of order.

**The SPEAKER**—The member for O'Connor will resume his seat. The member for Melbourne is asking a question, which I have not heard yet.

**Mr TANNER**—About five minutes ago the Minister for Transport and Regional Services at the dispatch box called the member for Brisbane 'dishonest'. I would like to ask why you did not require him to withdraw.

**The SPEAKER**—The member for Melbourne would be well aware that, if he wishes to seek a withdrawal, he does so at the time, not after the event.

**Mr Tanner**—Mr Speaker, I make two points in response: first, you have a capacity to intervene yourself. Clearly, you would have been able to hear that unparliamentary language; and, second, prior to my getting an opportunity, the Leader of the Opposition rose, you recognised him and there was an exchange between him and the minister. That

was the first opportunity I had to raise the point.

**The SPEAKER**—The member for Melbourne would be aware that the chair has ruled on that matter. I do not wish to revisit it.

#### Standing Orders

**Mr FITZGIBBON** (3.19 pm)—I have a question of you, Mr Speaker. I want to assure you and the House that I raise this question not as a means of making a smart point but because I think we have established a serious area of ambiguity in the rules of the House. I am hoping that you can clarify the point by providing us with a ruling, not necessarily now but some time in the not too distant future. I asked you during the final division before question time whether all members were seated where they could be counted in the division. You ruled that all members were. There is no secret that I was referring to the Treasurer, who was sitting in the seat usually occupied by the Serjeant-at-Arms.

Mr Speaker, I refer you to page 275 of *House of Representatives Practice* fifth edition, which states that members not within the area of members seats are not counted. I further refer you to the latest copy of House of Representatives *Standing and Sessional Orders*, which states:

*area of Members' seats* means the area of seats on the floor of the Chamber reserved for Members only.

The word 'within' could be the ambiguous part of the wording in *House of Representatives Practice*. I suggest to you that the wording in the standing orders could be taken to mean that the Serjeant's seat is included, but then again it may not include the Serjeant's seat. I suggest to you, Sir, that this could have serious ramifications in the case of a close vote—we do have conscience votes in this place on occasions, and we will possibly be having one very soon—and it could make

a difference. It could be a serious problem for you if that were to occur. I think to clarify it would be appropriate.

**The SPEAKER**—I thank the member for Hunter. I note the definitions in the standing orders that he refers to. On page 6 it says:

*area of Members' seats* means the area of seats on the floor of the Chamber reserved for Members only.

It does not specifically exclude the Serjeant's seat and, therefore, I have ruled that it is in order. However, if the member for Hunter wishes to take it further then I suggest that he refers the matter to the Procedure Committee.

#### Ministerial Comment

**Mr McMULLAN** (3.22 pm)—Mr Speaker, I wish to ask a question of you. I ask you to reflect on and reconsider a ruling you made, which did not have any impact on the proceedings today, in which you said that it was not appropriate to ask a minister to comment on comments made by another minister. First of all, I do not think that is a proper reading of the standing orders or of *House of Representatives Practice* where it refers to the limits. Even were it to be so, I ask you to consider the implications. It means that, if we have a contradiction between two ministers—

**Mr Tuckey**—Mr Speaker—

**The SPEAKER**—Order! The member for O'Connor will resume his seat; I am listening to the member for Fraser.

**Mr Tuckey**—Mr Speaker—

**The SPEAKER**—Order! The member for O'Connor will resume his seat. The member for Fraser has the call.

**Mr McMULLAN**—It would mean, if applied generally, that where there is a contradiction between the statements of two ministers the House is limited in its capacity to pursue it. I know that was not your intention

and it did not have that effect today, Mr Speaker, but I think you should give that some consideration. I am not asking for an instant reply today, but I think it is a very important question because you can imagine the circumstances in which the capacity to ask just such a question could be very important.

**The SPEAKER**—I thank the member for Fraser for his question. It is my understanding that it is not in order to ask another minister to comment on statements by a colleague. However, it is in order to ask the Prime Minister such a question. I think that comes under standing order 98. However, I will have a further look at that matter and report to him as appropriate.

#### Questions in Writing

**Mr GEORGANAS** (3.24 pm)—Mr Speaker, I seek your assistance under standing order 105(b). I would be grateful if you would write to the minister responsible and seek reasons for the delay in reply to my questions, particularly the reasons for the unlawful detention of 220 people within Australian detention facilities, including 26 Australian citizens, and the reason for their incarceration.

**The SPEAKER**—Order! The member for Hindmarsh does not have to repeat his questions.

**Mr GEORGANAS**—The questions are Nos 3075 and 3643. I would have thought the imprisonment of Australian citizens by DIMIA is a very important matter that should be answered.

**The SPEAKER**—I thank the member for Hindmarsh. I will follow up his request.

#### Distinguished Visitors

**Dr LAWRENCE** (3.24 pm)—I refer again to your failure to recognise Mr Edward McMillan-Scott, the Vice-President of the European Parliament, and Mr David Kilgour,

a long-serving and recently retired Canadian MP and former minister. I ask whether you are aware that, a little later yesterday, the Senate President recognised Mr McMillan-Scott and gave him the courtesy that we might have expected in this House. I ask whether it was the purpose of their visit, which was to draw attention to the investigation of allegations of organs being harvested from Falun Gong practitioners in China, which was the reason for your decision?

**The SPEAKER**—I will respond directly to the member for Fremantle by saying that, to both parts of her question, the answer is no.

#### **VIETNAM VETERANS DAY AND THE 40TH ANNIVERSARY OF THE BATTLE OF LONG TAN**

**Mr McGAURAN** (Gippsland—Deputy Leader of the House) (3.25 pm)—by leave—I move:

That the House take note of the statements of the Prime Minister and the Leader of the Opposition on the subject of Vietnam Veterans' Day and the 40th Anniversary of the Battle of Long Tan.

Debate adjourned.

#### **MAIN COMMITTEE**

##### **Vietnam Veterans Day and the 40th Anniversary of the Battle of Long Tan**

###### **Reference**

**Mr McGAURAN** (Gippsland—Deputy Leader of the House) (3.25 pm)—by leave—I move:

That the motion to take note of the statements of the Prime Minister and the Leader of the Opposition on the subject of Vietnam Veterans' Day and the 40th Anniversary of the Battle of Long Tan be referred to the Main Committee for debate.

Question agreed to.

#### **DOCUMENTS**

**Mr McGAURAN** (Gippsland—Deputy Leader of the House) (3.26 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*.

**Opposition members**—Spa boy!

**Mr McGAURAN**—I could recommend that some of you head off to a health retreat too. I don't want to name names, but get your house in order.

**The SPEAKER**—Order!

**Mr McGAURAN** (Gippsland—Deputy Leader of the House) (3.26 pm)—I present documents on the following subjects, being petitions which are not in accordance with the standing and sessional orders of the House:

Objections to a 3GIS tower on Rathmines Road—from the member for Kooyong—242 Petitioners

Retaining family welfare services provided by Telopea Family Support—from the member for Parramatta—47 Petitioners

The further sale of Telstra—from the member for Calare—423 Petitioners

Construction of an aquatic centre of the southern Mornington Peninsula—from the member for Warringah—29 Petitioners

Live animal export to the Middle East—from the member for Bennelong—50 Petitioners

Banning of the Liberation Tigers of Tamil Eelam—from the member for Berowra—75 Petitioners

Banning of the Liberation Tigers of Tamil Eelam—from the member for Berowra—33 Petitioners

Falun Gong—from the member for Bennelong—1076 Petitioners

Falun Gong—from the member for Bennelong—94 Petitioners

Falun Gong—from the member for Parramatta—240 Petitioners

**MATTERS OF PUBLIC IMPORTANCE****National Interest**

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

The Government surrendering the national interest in favour of its own political interest.

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 ALBANESE** (Grayndler) (3.27 pm)—This is a government that has surrendered the national interest for its own political interests. What we have seen this fortnight is a government that has had an absolute shocker: bungling incompetence followed by embarrassing retreat; one humiliating withdrawal after another.

This week we have seen a modern physiological feat, a man without a backbone performing backflip after backflip after backflip: the Prime Minister—no backbone but plenty of backflips. Since the Prime Minister had his big win over the great pretender all we have seen is the great surrender: surrendering our borders, surrendering on conscience votes, surrendering on petrol prices, surrendering Middle Australia, surrendering on climate change—simply surrendering our future. In fact, ever since the Prime Minister said that he was sticking around, it has been all downhill, and not just for the Treasurer.

Every day we have seen one blackflip after another—no agenda. The Prime Minister's daily walk is really a warm-up for his daily backflip. And while this government frays at the edges, the needs of Middle Australia are surrendered. Their hopes and aspi-

rations are left out in the cold by a government more obsessed with itself than with the needs of families. It has been an extraordinary fortnight, with surrender after surrender and one embarrassing retreat after another.

We had the Prime Minister surrendering on petrol and then coming up with an on-the-run, cobbled together plan pinched from our fuels blueprint; he took some of it but not all of it. His colleagues, including Senator Boswell, went out and bucketed the plan straightaway. We saw the surrender on interest rates as we blew out of the water the government's claim that it would keep them low. We saw an absolute surrendering and humiliation of the member for Menzies when he was given a support minister to ramp up the spin. But it is not about spin; it is about cutting the wages of Australians, giving them the choice of that or having to face the sack.

We have seen a surrender on the promise that there would be no \$100,000 degrees. There are 96 degrees that cost more than that, there are five that cost more than \$200,000 and one, at least, that costs more than the average mortgage. We saw an absolute surrendering on the immigration bill, when he could not even convince his own party that border surrender was in the national interest. And then we saw a surrender on parliamentary procedure because the vote was not even allowed to be held in the Senate, showing contempt for our democracy. We saw a surrender on the conscience vote for government MPs after trying to dictate a cabinet view. We have seen a surrendering of the Treasurer's view, held also by the Minister for the Environment and Heritage, by the department of the Minister for Industry, Tourism and Resources, if not by the minister himself, by the Minister for Foreign Affairs and others supporting a national emissions trading scheme. They have been left grasping for an alibi since we raised that question yesterday. We have seen a retreat to

the same old tactics of playing the man rather than playing the issue, promoting fear rather than hope in the community.

One of the biggest issues in the community is petrol prices. The Special Minister of State belled the cat on that. He wrote to the member for Throsby and said, 'We think it is a pretty bad idea for the government fleet.' It is all right to have rhetoric out there, but when it comes to real action we see that he withdrew and the member for Throsby clearly finished off, in a day, the weakness of the government's position on petrol.

We need to look at how many Australians will benefit from this announcement. We reckon it is about three per cent. We have asked and asked and received no answer. That leaves 97 per cent of Australians getting nothing—not today, not next week, not next month and not next year. They will have to wait for a Beazley Labor government to do something about these issues.

Then we come to interest rates. The Prime Minister says, 'I never promised interest rates would not go up.' We all know what the government campaigned on at the last election. The ads were still on the website last week. Perhaps the person who belled the cat on that was the member for Wentworth, the man born with a silver foot in his mouth! He gave it all up. This member has never seen an interest rates hike that he did not like—how arrogant and out of touch. It might be okay campaigning with the people he goes on his yacht with, as the Liberal candidate for Wentworth, wearing their 'Malcolm for Wentworth' T-shirts. It is not too far to drive out to Marrickville. The people in my electorate are struggling big time with their mortgages. I reckon the member for Wentworth will get a bit of a shock. I reckon lots of people in Kings Cross, Paddington and Woolloomooloo, fine constituents of the member for Sydney, are about to go over to

the member for Wentworth. I reckon they will give him a message about whether this interest rates rise really is no big deal, which is what the member for Wentworth thinks.

We have seen from the Prime Minister arrogance, indifference and breaches of trust. This Prime Minister has changed. He has been in office simply too long. It happens. It happens in politics and in lots of forums. Last week he went for a walk with Georgie Gregan around the lake. Sometimes it is just time to move on. We are seeing a Prime Minister who has surrendered Middle Australia. We have now seen seven consecutive interest rates rises since 2002 and just this morning we found out that average home loan repayments for a first home have exploded past \$2,000 a month for the first time ever. We know that Australians now are paying more as a proportion of their income on interest rates than ever before. We know that the government was elected on the basis of a falsehood—that they would keep interest rates low. We know that interest rates are near to the point the Housing Industry Association calls a no-go zone because people are paying 28 per cent of their income. That has an impact on them and on the economy, but today the Treasurer is wandering around trying to shift the blame. Blaming the states is much easier than taking it on the chin, although maybe he has given up because today we had the extraordinary feat whereby, when the Treasurer was asked a question, he said, 'Pass. I won't answer that.' The Prime Minister simply does not have answers.

**Mr Rudd**—He loved the history question.

**Mr ALBANESE**—The history question which was asked by the leader was a ripper. It pointed out that interest rates in 1982 were 21.39 per cent.

**Ms Macklin**—Who was the Treasurer?

**Mr ALBANESE**—We asked who the Treasurer was. The Prime Minister has lost

it, because he did not know. He did not take responsibility because he simply never does. Then we come to the issue which above any other will see us win the next election and that is the attack by this government with its extreme industrial relations legislation. This government wants to impose on our kids American style degrees where you have to pay \$100,000 and American style working conditions where you work simply for tips. We know that this Prime Minister is presiding over a system of a wages race to the bottom. The great surrender: the Prime Minister's surrender to China and India. Let us not compete on the high-skills, high-value, high-economic growth road. Let us go the low-wage, low-skill road, a surrender of our children's future.

What the Prime Minister is saying is that we will not try to compete with those economies on exports and our intellectual capacity; we will try to compete with them on wages. I asked the Prime Minister last week about the Tristar steering factory in my electorate, where 60 fine Australian workers, with an average service of about 25 years, are facing redundancy after 30 September. Why after 30 September? It is because that is when their enterprise bargaining agreement runs out. Instead of receiving four weeks pay per year of service, the company is waiting until 30 September and then, when the workers are made redundant, they are likely to be entitled to just 12 weeks pay instead. The fine people I have met have up to 40 years service and therefore would be entitled to 160 weeks pay. That is what we will see: as agreements run out, this government will use this extreme legislation. It is a surrender of everything that has made this country great—the idea of a fair go and the idea of a fair day's pay for a fair day's work. That is what we are seeing under this government.

We have seen a complete surrender on climate change. It is just too hard for the

government to make the tough decisions that are needed, for example introducing a national emissions trading system, ratifying Kyoto and being part of the global effort. There is a complete surrender on water. Today there is less water in the Murray than there has been for 100 years. And what has the government done about it?

**Mr McGauran**—It is a drought in 100 years.

**Mr ALBANESE**—It is called 'climate change', you fool. This government does not even acknowledge that that is the case. On these issues, the Prime Minister is running not so much a government but a farm. Without a doubt, the parrot on the farm is the Minister for the Environment and Heritage. The minister for the environment made a decision that, because one theoretical parrot every 1,000 years might be endangered, he would stop a \$220 million development. But of course, once they took legal action, he surrendered. He backflipped again, which characterises this government.

The Prime Minister is a rodent according to the Liberal Party's eminent QC, Senator George Brandis. Senator Brandis actually signed a statutory declaration that he only described the Prime Minister as a rodent, not as a lying rodent. That was his defence. So I am glad we have cleared that up. And, of course, there is one person who has been unfairly called a dog from time to time by his party colleagues. But we have seen a transformation: the dog has become a chicken. The Treasurer used to stand up and talk about roosters over and over again. People in the gallery found that very funny, and his colleagues would chortle away: 'Ho, ho. Isn't it funny? The Treasurer's talking about roosters again.' But you do not hear that anymore. I wonder why that is. Maybe it is because he knows what roosters do to chickens! Maybe that is why the Treasurer has not

uttered the word 'rooster'. He simply will not make that statement.

So on old John Howard's farm, we have the parrot, the rodent, and the dog that became a chicken. It is time that this government moved on. This government keeps one eye on Middle Australia—or it used to—but now there is just bungling and backflipping. Today we had questions about the Epping preselection, which saw the internal contradiction within the government—once again, it is a government obsessed with itself. We will chase the Prime Minister. We are going to hound him and hunt him every day until the next election, because Australia needs bold, nation-building plans for the future, not the arrogance and incompetence that the Howard government keeps serving up to Middle Australia as it surrenders every single day all the values that make this a great country.

**Mr McGAURAN** (Gippsland—Minister for Agriculture, Fisheries and Forestry) (3.42 pm)—That is as puerile and asinine a contribution as I have ever witnessed in this House. I say this to the Labor Party—I will give you some free advice—if you hand over your tactics, and therefore your political fortunes, to the member for Grayndler, you will stay in opposition for as far as you can see into the future. One of the measures of the effectiveness of an opposition is to judge who is running the show. The member for Grayndler is running tactics and has been for several months now. You can see it in question time. He is the one to the dispatch box, and now in this House we have seen the most banal matter of public importance that is possible to draft, let alone deliver, that we have seen for a long time. It was undergraduate humour, with the member for Grayndler reading his speech. He is such a great comedic wit and talent that he has to read his jokes. Let me tell you: we saw the punch line coming before he got the first

phrase out. Talk about laboured, heavy-handed and obvious humour. What it boiled down to was personal attacks on the Prime Minister and the Treasurer. It seemed to me to be a good audition for the *Glass House* but, quite frankly, it fails the test of parliamentary debate and certainly lacks the substance and the alternative policies upon which people might choose the Labor Party ahead of the coalition government at a future election.

My advice to the opposition is to bring back the member for Lalor. I never thought I would say it: let the member for Lalor again assume a leadership position in parliamentary tactics. I noticed her quite obviously walking out as the member for Grayndler strode to the dispatch box with his swagger and confidence as he was about to abolish the government and watch the Prime Minister wilt under a barrage of criticism so cleverly worded! The member for Lalor absented herself, and quite rightly so. She knows that she has been pushed to one side. We are happy on this side to see the member for Grayndler assume a position of such influence over the Labor Party. He lacks the political judgement and wit to bring the government to its knees as they would want us.

There was a very instructive comment in the contribution of the member for Grayndler. It was arguably the only one! He said, 'Industrial relations will see us win the next election.' That strikes me as being somewhat complacent. We on this side do not believe we have won the next election. We do not believe there is a silver bullet that we can lazily rely upon to win office. Talk about underestimating the Australian electorate: to think that one and only one issue will give you office is to completely misread the sophistication and the rightful expectations, even demands, of the modern Australian voter. It is a classic Labor mistake.



**Mr Hartsuyker**—Arrogant!

**Mr McGAURAN**—It is arrogant. He said, 'Industrial relations will see us win the next election.' That reminds me of the GST. It was the Leader of the Opposition who, in his previous incarnation as Leader of the Opposition, during 1998 proclaimed, 'Labor will ride the wave of GST into office.'

**Mr Bartlett**—Surf!

**Mr McGAURAN**—No, he proclaimed, 'Labor will surf the wave of GST into office.' He relied on that. He did no work. He did not try to combat the government on ideas, beliefs, values or policies. As a result, he was dumped by that same wave. We have seen it all the way through. The Leader of the Opposition will oppose the government for what he and his colleagues, especially the member for Grayndler, think are popular reasons and then do a backflip. The GST was going to be rolled back. We do not hear about the GST being rolled back now. Once the Labor Party fiercely, unrelentingly and deceptively opposed the GST. Now they embrace it, as do their Labor premiers. Try and take the GST off the Labor premiers and see how far you get.

This is the track record of the Labor Party. They opposed waterfront reform. When we came to office, the average container movement on the waterfront was 16 per hour. We were told, again by the Labor Party, that it was physically impossible to move more than 22 containers per hour. At present they are moving 27 containers per hour and are increasing that. The wages are higher now than they were before because they are paid on a productivity basis. They opposed waterfront reform. Now that we have had waterfront reform and are helping exporters and farmers across the country, the Labor Party have dropped their opposition. They have opposed almost every budget measure that this government has brought in. We inherited

a debt of \$96 billion. Now we have no net Commonwealth debt, yet the Labor Party opposed every fiscal initiative of this government. We wiped that debt in the face of the opposition of the Labor Party, especially in the Senate. They have done that all the way through our term in office. They opposed our tax cuts, but now they support them.

We do the heavy lifting, as is the requirement of government normally, in the face of stringent opposition and obstructionism in the parliament and then Labor accept the reforms in the national interest. They have opposed policy to make the Reserve Bank independent. They have opposed reforms to the welfare sector to help people find work. Every step of the way they oppose the government, not because they always believe on a basis of conviction in their opposition but because they want to make life more politically difficult and because they want to stir up constituents in the wider electorate. All of that is done on the basis of extortion, deception and at times outright lies. They have opposed our measures to strengthen our borders and to give more powers to our security agencies, to make arrests and make Australia safer.

There is one thing the Labor Party have not done a backflip on. They still oppose the government on border protection and on proper and balanced security measures. They have opposed our reforms to Medicare and they have opposed our support of private health insurance through a rebate system. All the way through the Labor Party oppose, yet they put up this for the matter of public importance debate today:

The Government surrendering the national interest in favour of its own political interest.

You will not sell that in the Australian electorate. Whilst people disagree at times with the government, as is their right, on many of

our policies and policy directions, we will explain them. At times we will be responsive to public criticisms but at other times we have to show leadership, win the argument, put the facts, engage in the debate and respect Australians and give them credit for their capacity to have an informed debate. The Labor Party instead sells out Australians. It will not engage in policy debates. This is not a debate about policy. How can it be? The Labor Party does not have any. We do not see a publication from the Labor Party that it believes is worthy of debate in this chamber. Instead, we got ridiculous questions during question time today. It was by and large a waste. To the extent that there were serious questions, they went over old ground. There is no innovation and there is no freshness about the Leader of the Opposition, nor the party he leads.

I find it amusing that the Labor Party would attack the government for putting its interests ahead of the national interest. Does everybody remember former Leader of the Opposition Mark Latham? This is a well-known poster of the now Leader of the Opposition with the former Leader of the Opposition, on which Kim Beazley writes a letter to everybody and endorses Mark Latham. He says things like:

Labor is ready to govern, and Mark Latham is ready to be Prime Minister.

It's time for a change in government.

Mark Latham and Labor will have a government that solves problems and takes the pressures off families.

The Leader of the Opposition gave a ringing and unqualified endorsement of Mark Latham. Either he was selling out the national interest and presenting somebody that the Labor Party themselves now concede was unfit for the office of Prime Minister or he was lying to the Australian people.

**The DEPUTY SPEAKER (Hon. IR Causley)**—The minister will withdraw the last comment.

**Mr McGAURAN**—I withdraw that. There was no putting the national interest ahead of the Labor Party's interest when it came to that endorsement of Mark Latham. I am concerned also that the Leader of the Opposition is again putting his interests and those of his party ahead of the national interest. In Victoria there is a scandalous situation developing, in which a member of the Labor Party, Khalil Eideh, has been preselected for a safe upper house seat. This is a man who has written to the President of Syria, saying such things as—

**Mr Kelvin Thomson**—Mr Deputy Speaker, I rise on a point of order. The matter of public importance is: the government surrendering the national interest in favour of its own political interest. The discussion of a state preselection can hardly be germane to that.

**The DEPUTY SPEAKER**—The member for Wills would be well aware that there probably would not be any broader matter of public importance put before the parliament than the one proposed by the Labor Party today. It is a very broad matter of public importance. The minister has the call.

**Mr McGAURAN**—The reason I am bringing this up is that it is a matter of national interest that this man does not enter parliament. Mr Eideh has written to the President of Syria and declared:

... the danger and threat from the Imperialist and Zionist is increasing on our Arabic world in general, and particularly on our Arabic Syrian country.

... ..

We owe our complete loyalty to and are working to protect Syria.

He finishes by pledging to the President of Syria—a dictator, Dictator Assad:

Loyalty, absolute loyalty to your courageous and wise leadership and we pledge to continue to be faithful soldiers behind your victorious leadership.

That is a man who, if the Leader of the Opposition is serious about the national interest, will not enjoy Labor Party preselection. That same person gave a speech in 2002, reprinted in the Sydney Arabic newspaper—

**Mr Jenkins**—Is it a crime?

**Mr McGAURAN**—The crime is that he is anti-Semitic—that is the crime—and there is no dissociation of Mr Eideh by the Labor Party. He is a protege of Senator Kim Carr; he has been warmly endorsed publicly by the member for Melbourne. Let me read a bit more about Mr Eideh to show his unfitness for parliamentary service. In a speech in 2002 he said:

Satan's brigades are getting ready to enslave the Arab world.

We could see the light of your soul in the face of the martyrs, the heroes, the greatest of free Arabs—those who carry the flag of dawn from South Lebanon and Palestine.

This is a supporter of Hezbollah and Hamas. You talk about the national interest; you stop that man entering public life.

**Mr Jenkins**—Are you accusing him of a crime?

**The DEPUTY SPEAKER**—The member for Scullin!

**Mr McGAURAN**—I am accusing Mr Eideh of being anti-Semitic and unfit for office. He has received comfort and support from the Labor Party. Nobody has the courage in the Labor Party to dissociate themselves from him. He is receiving support from the Labor Party in this House.

There are other examples of the Leader of the Opposition putting his narrow interest ahead of the national interest. I refer especially to the issue of fuel. Through 2001 and 2002 the Labor Party ran a campaign against

ethanol. You had the member for Fraser and the member for Hotham in their leadership positions attacking Manildra as one of the companies involved in the emerging ethanol industry. They proclaimed that ethanol was unsafe for motor vehicles, they scared motorists away from the use of ethanol and, of course, they have the political cheek to attack the government on petrol pricing when as a group and as individuals they have done more than anybody else to destroy, harm and retard the growth of ethanol take-up amongst motorists.

Now the Leader of the Opposition has done a U-turn. He has reversed the Labor Party's outright opposition to biofuels such as ethanol because it is more politically expedient for the Labor Party to now endorse ethanol. But the damage has been done. Talk to anybody in the biofuels industry and they will tell you we are several years behind where we should be on this issue of uptake of ethanol and biofuel because of the Labor Party's actions. There was no national interest then; there was just grubby, political, Labor interest at that time.

But the backflip by the Leader of the Opposition continues. There is no concept of national interest for him. He told the House on 15 February that he would ratify the Kyoto protocol and that he would incorporate into the Kyoto regime a carbon trading arrangement—that is, he would put a tax on carbon emissions. He has told the House this week that he opposes carbon trading. This is a Leader of the Opposition who will say and do anything at any given moment to win votes or attack the government. He is not guided by the national interest. He lacks conviction and consistency and, as a result, the Labor Party lacks credibility. This is a Labor Party without policy. It lurches from opportunity to opportunity and, before much longer, in the absence of any credible policy

framework, the Australian people will pass their judgement. (*Time expired*)

**Mr KELVIN THOMSON** (Wills) (3.57 pm)—This is a government which is increasingly drunk with power. The longer it stays in office the more contemptuous of the national interest it becomes. There is always politics in public life, but this government is always only ever about politics. We have a Prime Minister who wakes up every day thinking, ‘How is it that I can do over the Labor Party?’—a Prime Minister for whom the national interest comes a distant last. We heard a feeble rebuttal from the Minister for Agriculture, Fisheries and Forestry. You would have thought he would say something—just something—about how this government may have governed in the national interest or give some defence of the national interest, but we got nothing. He was absolutely threadbare.

Why do we believe that this is a government which is not governing in the national interest but only looking after its own political interest? In the first place, there is the use of taxpayer funds for Liberal Party political advantage. We have had a massive government advertising binge with over \$1 billion spent in the course of the last decade. Indeed, when we examined Senate estimates in May we discovered that a staggering \$250 million in advertising was proposed for expenditure in the lead-up to the next election. That includes over \$50 million for the private health insurance campaign, \$47 million for the smartcard awareness campaign—you can write to every Australian household many times with \$47 million—\$36 million for child support reforms and \$15 million on independent contractors. This \$250 million comes on top of a \$130 million advertising placement spend for the current financial year, so you are looking at a \$380 million campaign all up. This is a breathtaking abuse of taxpayers’ money. In the run-up to the

2007 election campaign, taxpayers will be footing the bill for political advertising, not the Liberal Party.

The Australian public should brace themselves for wave after wave of propaganda on the scale of last year’s IR campaign. That campaign raised the bar of government advertising and the government clearly has no intention of lowering it. The smartcard campaign is supposed to be about reminding people to register. If you sent out reminder letters, we would all get six letters each. Drunken sailors would be dipping their lids at this level of spending. Hundreds of millions of taxpayers’ dollars will be torched on government spin and propaganda in order to try to get the coalition re-elected.

That campaign has involved Liberal Party advertiser ‘Lucky’ Ted Horton and has essentially reconvened the Liberal Party advertising dream team, with the involvement of Liberal advertiser Mark Pearson and also the former Chief of Staff to the Prime Minister, Graeme Morris. This is a campaign which benefits Liberal Party mates and it is unacceptable. Frankly, with apologies to Winston Churchill, never before in the history of government advertising has so much money been hosed up against a wall by so few in so short a time.

We have had a dodgy process associated with government advertising—inadequate tendering and a whole series of arrangements in which proper process had not been followed. FOI documents reveal that the government acted against departmental advice that its Work Choices advertising campaign should not start until after the legislation had gone through the parliament.

It is not only about spending taxpayers’ money; it is also about the damage that this government has done to transparency and accountability. Over the last decade the government has almost doubled its number of

advisers to 445. This has greatly assisted ministers where they have chosen to neglect or abuse their position of trust. Their growing staffs have provided politically devoted service. This sort of development underpins the unaccountable nature of the Howard government. Issues concerning proper conduct can no longer be dealt with by this parliament. Advisers have the capacity to shoulder blame and responsibility for a minister's action or inaction without any fear of real consequences. Parliamentary secretaries cannot be questioned during question time and ministerial advisers cannot be questioned by Senate estimates or other parliamentary committees. What we need is better legislation—freedom of information law being updated so that ministers, their advisers and their departments cannot delay or withhold information on the basis of their political interpretation of public or national interest.

The mother of all accountability failures has been the AWB scandal. These failures have included the pitiful response which this government made to the request by the UN Chief Customs Officer, Felicity Johnston, for Australia to investigate allegations that AWB was paying kickbacks to Saddam Hussein and the government's failure to notice the dramatic escalation in trucking fees being paid to Alia. They went up from \$US12 a tonne in July 2000 to \$US44 a tonne and subsequently \$US55 a tonne by December 2002. This was when petrol in Iraq was 10c a gallon and the real cost of inland transportation was estimated at less than \$6 per tonne. There was also the government's failure to investigate the front page of the *New York Times*, which specifically indicated that Iraq was running a pay-off racket, and, of course, the failure of Australian diplomats in the Middle East to pick up what was common knowledge about the use of Alia to circumvent UN sanctions.

The question is: faced with such monumental failures which led to this massive scandal—the payment of \$300 million to Saddam Hussein—what action has the government taken by way of response? Ministers say, 'We were misled by our advisers,' but they take no action to penalise them. The only rational conclusion from such ministerial inaction is that ministers are not sincere. Either ministers did know more than they are telling, more than they are letting on, and will not punish advisers for fear of having the whistle blown regarding their real state of knowledge, or they approve of not being advised and want to maintain this system of ministerial ignorance and plausible denial. If ministerial responsibility and public accountability are to mean anything in this country, this system must be cracked open and the public should no longer be expected to tolerate such miserably low standards of ministerial performance.

This practice of the government of putting politics first instead of the national interest has been causing damage to us. It was interesting to read in the *Australian* recently that the United States says that it now has 72 per cent of the Iraqi wheat market. Prior to the war Australia had 90 per cent of Iraq's wheat trade. The government's desire to put their own political interest ahead of the national interest has led to this debacle—we have basically lost the wheat trade to Iraq. We have Australia's trade and foreign policies being steered by ministers whose surplus of hubris and deficit of steering skills are reminiscent of Toad of Toad Hall. Little wonder our trade deficit has grown and our international reputation has shrunk.

Finally, we learned in the last couple of days that the government have moved to increase the printing entitlements for members of the House of Representatives from \$125,000 to \$150,000—again, putting their political interest ahead of the national inter-

est. \$125,000 is already too high and this 20 per cent increase is totally unjustified. It gets worse. MPs will now be able to roll over unspent entitlement to the tune of 45 per cent or \$67,500. That would bring next year's entitlement up to \$217,500. So 2007 will see a rerun of *You've Got Mail*—only it will not be starring Tom Hanks and Meg Ryan; it will be starring a Howard government MP in a marginal seat near you! They have so many leaflets they will probably call out the RAAF to do an aerial leaflet drop.

This reflects the determination of the Howard government to use the benefits of incumbency to build a moat around their sitting MPs and turn each government electorate into a fortress. This is consistent with their attitude to the tax deductibility of election campaign donations and their government advertising binge. If it were happening in countries like East Timor or the Solomons, Australia and the rest of the world would be giving them a lecture about democratic practice and culture. This abuse of taxpayers' funds for political advantage is a blot on Australian democracy.

**Mrs MIRABELLA** (Indi) (4.07 pm)—Where does one begin? I do have some sympathy for the member for Wills. He obviously drew the short straw today. He ended with some criticism of the printing entitlement. Let me remind him and his Labor colleagues that under the last Labor government there was an unlimited allowance, but they quite conveniently forget that. Methinks this smells a little of the hypocritical meat pie that he must have had for lunch.

Let us remember one of the Labor members who lost his seat—the former member for Paterson—who spent over \$400,000 of his printing entitlement. The member for Wills also said that the current entitlement was too high. Did he tell the member for Richmond, a Labor member, that she spent

too much money when she spent \$124,968 of her printing entitlement? Why didn't the member for Wills criticise the member for Richmond? In his opinion she obviously did not need to spend that much money. Let us remember that the Labor Party had an unlimited amount and it was this government that actually brought in limits.

We heard nothing from the opposition about the obvious Labor hypocrisy when in August 2003 Labor joined with the Democrats and Greens to disallow certain entitlements. They forgot to mention that there were some entitlements that were designed specifically to help the Labor Party and the minor parties, like new charter transport arrangements and more computers, mobile phones and business travel for their staff. We did not hear anything about that.

Then again, as I said, I do empathise with the member for Wills. He was stuck with the pathetic, puerile and empty matter of public importance that the member for Grayndler got up today.

*Mr Bartlett interjecting—*

**Mrs MIRABELLA**—No. Obviously there was no policy. There was no comment at all about other significant matters. There was no policy contribution about alternative fuels, no policy contribution about jobs growth, no positive contribution about anything.

He also talked about government advertising. The last year that the Labor Party was in power, in real terms, the amount of money it spent on advertising was more than this government spent in 2002 and 2003. The government does need to spend money on advertising. About \$25,000 a year goes solely on defence recruitment. Another \$20,000 to \$25,000 goes on advisory ads, recruitments and notices for the Australian Bureau of Statistics, the Australian Electoral Commission and other government bodies. The govern-

ment also runs campaigns against smoking, alcoholism and the use of illegal drugs. It also urges employers to support apprenticeships and gets people to help environmental projects. That is the majority of government advertising.

Since today is the day that the government held its very important and historic history summit, let us remember a bit of Labor advertising history. Remember the \$250,000 they paid Bill Hunter for government advertising? And what did we see? The same Bill Hunter turned up in Labor's 1996 election commercials. That is just a bit of the smell of the hypocrisy from the Labor Party.

The member for Grayndler talked about the national interest. I have some advice for him—though he may choose not to take it. There is one thing that the Labor opposition can do in the national interest, and that is to be a decent opposition. Any democracy in the Western world demands and deserves an opposition that is hard working, an opposition that is full of members who are representative of the nation they seek to represent, an opposition—

**Dr Southcott**—That reads the papers.

**Mrs MIRABELLA**—Indeed. Thank you, member for Boothby. It deserves an opposition that reads the newspapers and holds the government accountable. An operational and working opposition is an integral part of our democracy. But what do we have? We have tokens. What did the former Labor leader say of the member for Grayndler? He said:

When I rang him he said, "I know Kim is hopelessly conservative, but I started the campaign against Crean, and I'm going to see it through. I wish we had someone else to run, but that wasn't the case. Beazley was the only one who put up his hand." I told him the vote might be 46-all, and he agreed. He said if he thought that was the case on Tuesday morning, he would vote for me to break the deadlock. Not the sort of guy you would want

in the trenches next to you. Crean calls him a habitual liar and I think he's right.

**The DEPUTY SPEAKER (Hon. IR Causley)**—The member for Indi will withdraw that.

**Mrs MIRABELLA**—I was merely quoting from *The Latham Diaries*.

**The DEPUTY SPEAKER**—You cannot quote and use unparliamentary language. You will withdraw.

**Mrs MIRABELLA**—I withdraw that comment. But, more interesting perhaps, were the more sober comments from the former, very successful Labor minister who contributed significantly to Australia—former Minister Button—when he said that factional leaders of the Labor Party have lost touch with mainstream people and the working class. Of course they have. They are overrun by people who are not representative of their communities. They are overrun by people who were put there by factional leaders and by unions that represent ever-diminishing proportions of the Australian population. What did former Minister Button say? He called these factional leaders 'control freaks devoted to manipulation rather than thought'. He said:

Those who make it through to parliamentary positions seldom have much impact—as public figures they're about as attractive as Hannibal Lecter.

That was the former Labor minister John Button. He said that because he had Australia's national interest in sight.

We have a problem. The opposition is crippled in its ability to be an operational opposition. We see that Mr Beazley's approval rating is only 34 per cent in terms of who would make a better Prime Minister. The reason for that is that he is a reflection of the statement that his father made. As Kim Beazley Sr said, the Labor Party was once full of the cream of the working class but in

modern times it is full of the dregs of the middle class.

We see these unrepresentative people. We had during question time an interesting exchange and criticism—it was an attempt to denigrate and blacken the good name of Pru Goward because she is standing for Liberal preselection. So what did the so-called feminists in the Labor Party, who are supposed to represent all women, do? They are very selective. They do not really perform as part of an operational opposition because, if you get selected as part of a quota, you are a token. When you come to this place, you must expect those who did the hard yards, who were selected on merit, to treat you as a token. The member for Gellibrand was asked in an interview:

You got there through the quota system. Would you have got in without that?

She said:

I don't think that would have happened without having our rules in place, and I think that that has been a really significant change within the party.

Indeed, it has been a significant change but certainly not a change for the better.

The Labor Party are so desperate for relevance they cannot even bring themselves—to this is how bad it is on the other side—to use the words 'mainstream Australia' in caucus because of all the lunatics within their extreme left-wing faction. The member for Grayndler said, 'Sometimes it's time to move on with regard to leadership.' What do the opposition do? They know they are down in the polls. The member for Lalor looks very depressed. The opposition spokesman for foreign affairs is down in the dumps. They know these figures are bad, but where do they move onto? We could not have the member for Lalor being the Leader of the Opposition. The right-wing faction in Victoria would not let her, and good on them. They could not let someone who was so un-

representative and so left wing ever be leader of the main opposition party in Australia. So, for the moment, they are stuck with the current opposition leader, Mr Kim Beazley.

The member for Grayndler, after all, would know a thing or two about putting political interests ahead of national interest. He was the fellow, as Labor's environment spokesman, who was prepared to trade away Australia's jobs and risk losing millions of dollars in investment by signing the Kyoto protocol. How was this supposed to be in the national interest? He supported Bracks's disgraceful plan in condemning our proud history of alpine grazing in Victoria and consigned it to the dustbin. (*Time expired*)

**The DEPUTY SPEAKER (Hon. IR Causley)**—Order! The discussion is now concluded.

#### **PRIVACY LEGISLATION AMENDMENT BILL 2006**

##### **Report from Main Committee**

Bill returned from Main Committee without amendment; certified copy of the bill presented.

Ordered that the bill be considered immediately.

Bill agreed to.

##### **Third Reading**

**Mr FARMER** (Macarthur—Parliamentary Secretary to the Minister for Education, Science and Training) (4.17 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

#### **COMMITTEES**

##### **Publications Committee**

##### **Report**

**Mr ADAMS** (Lyons) (4.18 pm)—I present the report from the Publications Com-



mittee sitting in conference with the Publications Committee of the Senate. Copies of the report are being placed on the table.

Report—by leave—adopted.

**INDEPENDENT CONTRACTORS  
BILL 2006**

Cognate bill:

**WORKPLACE RELATIONS  
LEGISLATION AMENDMENT  
(INDEPENDENT CONTRACTORS)  
BILL 2006**

**Second Reading**

Debate resumed.

**The DEPUTY SPEAKER**—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.

**Ms GRIERSON** (Newcastle) (4.19 pm)—I rise today as the representative of the people of Newcastle, a proud daughter of the working class, a former school principal and board director, and certainly a person who has at no time used a quota system to be a representative. The member for Indi perhaps needs some education. I rise to speak on the Independent Contractors Bill 2006 and the accompanying Workplace Relations Legislation Amendment (Independent Contractors) Bill 2006. I oppose this legislation and I support the amendment moved by the member for Perth. The central philosophy behind this legislation is that the appropriate mechanism for regulating independent contractors is commercial law, rather than industrial law. This is consistent with the central philosophy behind the Howard government—that is, an individual worker has as much bargaining power as his or her employer. But that is just plain wrong and appallingly so.

This legislation is another attempt by the Howard government to remove another large group of Australian workers and put them outside the established industrial relations system which has served this nation well for 100 years. That is, of course, the system based on fairness and good faith in bargaining—a system in which everyone is seen as a stakeholder, and an important one, in work and productivity. Estimates do vary as to how many independent contractors we have in Australia, but it is seen to be anywhere between about 800,000 and two million people. So at least another 800,000 workers are being targeted for lower wages and fewer conditions by the Howard government.

For these workers, the Howard government’s legislation is an absolute betrayal. These are workers who are going out on their own, who are enterprising and who are making their living based on their own skills and resources. These are the people who, as the research keeps telling us, have been shifting their votes to John Howard, as they have shifted away from old-style industrial enterprises and large-scale employers. These independent contractors are now finding themselves totally betrayed by the Howard government, just as all the other workers in Australia who have been caught up in its other set of extreme industrial relations laws—Work Choices—have also been betrayed. They are betrayed through the government’s action to override protections provided by the state industrial relations systems, which the government did not replace with any appropriate protections under this federal system.

Firstly, the bill overrides all existing deeming provisions in state industrial law. These deeming provisions in my state, New South Wales, declare that certain categories of workers are defined as employees even though they may be independent contractors at common law. These workers include car-

penters, cleaners, painters, outworkers, drivers, plumbers and many others. In many cases, their working arrangements are little different from those of ordinary employees. The state deeming laws recognise this and offer some of the rights and protections enjoyed by all other employees. But the Howard government has decided, in its treachery, that these workers do not need these protections. It has deemed that these workers should be left vulnerable, in unfair bargaining positions, and at risk of having their pay and conditions further downgraded. How do we know this? We know it because the Howard government has exempted some workers from its new laws.

The government has exempted textiles, clothing and footwear—TCF—outworkers and transport owner-drivers in New South Wales and Victoria. For these two groups of workers it has preserved existing protections. While this is very good news for the TCF outworkers and transport owner-drivers in New South Wales and Victoria, you have to ask: what about everybody else? Because in exempting these two categories of workers the minister has admitted that this legislation is definitely going to reduce the pay and conditions of all other independent contractors. To quote from the minister's second reading speech:

These provisions in state legislation will remain, given the special circumstances of owner-drivers in having to operate within very tight business margins because of the large loans they have to take out to pay for their vehicles.

If this bill is not about reducing pay then why is the government and the minister worried about the tight margins of owner-drivers? If this bill is supposed to be doing something good for independent contractors, why, as the minister admits, will owner-drivers go broke if the bill is applied to them? This is not so much the exception proving the rule but the exemption abso-

lutely proving the rule. It proves the rule that the Howard government is all about reducing the pay and conditions of hardworking Australians.

Do not get me wrong: I welcome this exemption for owner-drivers in my state, New South Wales. By them and for them it has been hard fought and well won. Their margins are tight. Petrol prices are at record highs. Interest rate rises add to their monthly loan repayments. Owner-drivers from my electorate have said that if they were exposed to the new laws they would simply be unable to provide for their families. They would have to spend dangerous amounts of time on the road. In the words of one: 'We would get screwed.'

My electorate of Newcastle has some very distinct characteristics that make this bill very relevant to the people of Newcastle. Over the past decades Newcastle has faced major restructuring of industry as well as the closure of BHP. This has meant that with a tightening labour market, as we have seen, many Novocastrians have decided to create their own jobs and become independent contractors. Their sense of pride and self-worth is very important to them, and they have always resisted being a burden on government.

Earlier this year I met with several—about 30, in fact—owner-drivers in my electorate before they commenced work. I thank them for being there at that time, because it was an absolute pleasure to be there and to speak with them. It is true that they purchase their vehicles at great cost. They pay all their insurance and all their costs. They cover their own sick leave. They cover their workers compensation, holidays and super. They drive five or six—some even seven—days a week. Their wife or another family member is often their reserve driver or the person who does the accounts. When I spoke with them and heard their stories, I did ask about

holidays and, sadly, no-one had had four weeks annual leave—they just could not afford it. I also asked about their superannuation, and it disturbed me to know that, with the margins the way they are, they certainly were not putting away the correct amount for their future.

Margins are indeed very tight and, yes, owner-drivers are already doing it tough. I am glad that they are exempt from this bill. I am also glad TCF outworkers, often some of the most disadvantaged and lowest paid people in our community, and many of whom are women, are exempted. However, the owner-driver provisions are set to be reviewed in 2007. That strikes terror into our hearts. It is fairly clear from the minister's statement that he wants to see the drivers' exemption cut. I fear there is little chance of the exemption for owner-drivers surviving beyond next year, with the minister already announcing what this review would be about:

... rationalising these laws and achieving national consistency if possible ...

And let us not forget: if, as the minister admits, this bill is bad news for these two groups of independent contractors, it is surely bad news for all independent contractors. It does not matter if you are a driver, a seamstress, an IT technician, a plasterer or a milkman—you have still got a mortgage, you have still got to fill up the car with fuel, you have still got to pay the interest on your loan and you have still got to feed and clothe the kids and pay for health care and education. You have also got to keep yourself fit for the job. You have got to cover sickness and time out if something goes wrong with your health or if something goes wrong with the tools and equipment you need to do your job.

Families are doing it tough, and the Howard government knows it. This legislation will make it tougher for the families of all

independent contractors. Indeed, the other so-called protections offered to TCF outworkers will do little for them. The bill provides for a default minimum rate of pay to operate where an outworker is not guaranteed a minimum rate under state or territory law. This wage will be based on the minimum rate application under the minimum wages guarantee in that wonderful Australian Fair Pay and Conditions Standard. Remember, that is the minimum wage that has not risen in 18 months and which the government thinks is already too high. So that is not much of a guarantee for those people, is it?

The bill also ensures that independent contractors can no longer access state unfair contracts laws. It creates a new national unfair contracts regime. Matters will be heard in the Magistrates Court. That is very interesting, isn't it? We read recently of a member of the minister's staff being appointed to the Magistrates Court—just in time, apparently, but certainly an appointment that is being questioned by the profession. Moving to this new regime will create greater expense and lengthier and more complex arguments, and will expose independent contractors to costs orders. In addition, under the federal system there is no ability for employer organisations or unions to apply for unfair contract review on behalf of a party. This is a further step along the path of deregulating contract arrangements, and a further whittling away of the rights, protections and representations available to independent contractors. It also adds to the layers and layers of complexity the Howard government has built up in the industrial laws of this nation. It makes a mockery of one of the Howard government's Work Choices slogans:

A simpler, fairer, national workplace relations system for Australia.

Remember that one? You would hope you would remember it, because I think the Howard government spent \$1½ million of

taxpayers' money on market testing that slogan so that you might believe it.

Debate interrupted.

### ADJOURNMENT

**The SPEAKER**—Order! It being 4.30 pm, I propose the question:

That the House do now adjourn.

### Telecommunications

**Ms LIVERMORE** (Capricornia) (4.30 pm)—This speech is for the benefit of the Minister for Communications, Information Technology and the Arts, in the hope that she and the rest of the government will snap out of their complacency and bring Australia's telecommunications infrastructure out of the Dark Ages. On 8 August this year, the day that Telstra announced that its plan for fibre broadband had fallen apart, the minister went on *The 7.30 Report* to claim that she had received no complaints about broadband in Australia. Allow me to introduce the minister to Craig Smith of Rockhampton. Here is what Mr Smith had to say about broadband in an email to me on 8 August:

In January this year we moved to Rockhampton after six years living in the remote and isolated town of Cloncurry.

We made the decision to move as our daughter's education is of paramount importance to us as we wish her to have every opportunity available to her when she leaves school.

After moving I contacted Telstra regarding broadband. I was astonished when told that I lived too far from the Parkhurst exchange to guarantee service.

We reside at Norman Gardens—  
a very nice suburb—

that is 3 and a half kilometres from the exchange. I could have been knocked over with a feather.

Here we are spending half a million dollars on a house, top rate for school fees and all the extra costs of living in a metropolitan regional area such as high rates, water fees, home and car in-

surance is higher etc. and I was being treated like I lived in the sticks.

Now our daughter is in the top percentage of grade fours in Australia and over the next couple of years will be doing projects and assignments that will require a fast and reliable broadband Internet access.

I now read today that Telstra will be sold even without the guarantee of upgraded broadband. You can guess what we are telling all and sundry about buying in this area.

Well, it should not be Mr Smith and his family who have to move on; it should be the minister, for failing Australian families and businesses who deserve better than Third World levels of internet access and speed. It will come as no surprise to Mr Smith, or the other people in my electorate who have contacted me over their inability to access high-speed broadband, when I point out how far Australia is falling behind the rest of the world in terms of access and speed.

You can take your pick of statistics. The OECD surveyed 30 countries and ranked Australia 17th for the take-up of 256 kbps broadband. The World Economic Forum ranks Australia 25th in the world in terms of internet bandwidth. And the World Bank found that Australia's average ADSL speed of barely one mbps is one of the slowest in the world compared to countries like Britain, the US, Germany, France and Canada. I think that the people in my electorate would agree with James Packer's recent description of Australia's broadband position as 'embarrassing'.

I think the Smiths are entitled to pursue their dreams for their young daughter, knowing that their government shares their hopes and ambitions for all Australians both now and into the future and knowing that their government is committed to providing the vital infrastructure if Australia is to compete on an equal footing with the rest of the world. The Labor Party share their ambitions

and a Labor government will make them a reality. We want Australians to have world-class telecommunications infrastructure so they can compete with the best in the world, not the 18th or the 26th, which is the level to which our outdated IT infrastructure is fast consigning us.

That is why Labor has announced a plan to roll out a fibre-to-the-node broadband network across the country: a network that will deliver a broadband system with speeds 25 times faster than what is available in Australia today. We cannot afford for Australia to fall further behind in this important area. While families like the Smiths are investing in their kids' future they need a government doing the same thing and investing in the infrastructure that will equip all Australian kids for the future.

While I am on the topic of Telstra, I would also like to raise very briefly another issue in a rural part of my electorate, out in the Banana Shire, in the towns of Wowan and Dululu. The people in those towns have been in contact with a company called Clear Networks to provide them with broadband access through the Broadband Connect program.

**Mr Nairn**—That is in my electorate.

**Ms LIVERMORE**—That is true, actually. The company has sent an email to my state colleague, Mr Jim Pearce, saying that there is a real hold-up thanks to the Department of Communications, Information Technology and the Arts and saying that they have been unable to fulfil services to the towns of Wowan and Dululu at this point. I raise this to say to the people of Wowan and Dululu that I will be following this up with the minister for communications to make sure that they get the services that they have been speaking to Clear Networks about for some months now. (*Time expired*)

### **Charter of Victims Rights**

**Mrs GASH** (Gilmore) (4.35 pm)—In an earlier statement to the House I spoke about the case of Nicole Robach, whose partner Michael Carey was murdered by Mr Rudzitis on 28 February 2005. Mr Rudzitis is presently incarcerated in the psychiatric wing of the Long Bay Gaol in Sydney at the pleasure of the New South Wales minister. Necessarily, I have had to deliver my statement in two parts, and this is the second part of that statement. Today I speak about the second aspect of her case—the role of the victim's statement—but I do want to revisit the question of mental health and the assessment process at some later stage because this too has contributed to Ms Robach's plight.

According to research by the New South Wales Parliamentary Library, the Charter of Victims Rights is an attempt to address grievances brought about by the process of the courts rather than the outcomes. These processes include delays, unnecessary continuances, risk of intimidation by the offenders, lack of information concerning the process and status of the case, insensitive criminal justice practitioners and victims' lack of standing and voice in proceedings. These are mentioned frequently. In other words, these so-called rights are no more than an emotional sop and have virtually no impact on the case. And there is even some suggestion to the lay person that an expectation is created that their words actually have an impact on the sentence.

Nicole Robach has felt throughout that she was not being listened to, that she was alienated from the process and that she continues to be so. To help reach closure, she had sought court transcripts, particularly those relating to tape recordings of statements by the offender. She was able to access limited transcripts but, because the case is closed, she is no longer able to get them.

I suggest that, if this is a matter of public record, the New South Wales government should give consideration to making available a full transcript to victims like Ms Robach if this helps with the process of closure. According to the New South Wales government's Lawlink, although fee-free access is available for judgements and written evidence in court proceedings, there is a fee that may be charged for all other transcripts. This is just another hurdle confronting the victim and this too should be reconsidered to assist with the rehabilitation of the victim. In an article in the *Law Society Journal* of September 1996, it was observed that the provisions of the Charter of Victims Rights only recommended that this information 'should' be received by the victim, whereas it is argued that this be made mandatory.

I am not critical of either the Mental Health Act or the Charter of Victims Rights per se. They have a role to play. But the system is wrong if the victim is expected to relive the killing of a loved one every six months. That is far from fair and just. The responsibility of the New South Wales parliament to their constituency is to ensure that the victims of crime do not become further victimised by the process. In that respect the Charter of Victims Rights has to be strengthened and made more relevant to the case at hand.

To paraphrase the previously quoted article: what is needed for the future is for the New South Wales government to follow up on the initiative of the crime bureau by closely monitoring its implementation and making appropriate adjustments where problems arise. There is a problem here, and the New South Wales government should respond accordingly.

Whilst this is a state problem, Ms Robach came to see me and I interviewed her very carefully on this matter. As a politician, we

see and hear many things, but this case really broke me up. To see this woman, the mother of two children, have to relive a crime that caused the murder of her partner and the father to their two children simply because it is the law that every six months she has to explain why Mr Rudzitis, the murderer, should not be released is inhumane, and the law must be amended.

#### Mr David Hicks

**Mr MELHAM** (Banks) (4.39 pm)—I have spoken in the House on a number of occasions in relation to the plight of David Hicks and his incarceration in Guantanamo Bay. I put a notice of motion on the *Notice Paper* on 2 March 2006 which has not yet been discussed in the House. Yesterday, I had to update that notice of motion as a result of the decision of the United States Supreme Court in July 2006 that the United States military commission process was illegal and that the treatment of prisoners held at Guantanamo Bay has been in violation of the Geneva conventions. It is a judgement that surprised a number of people but not those of us with a legal background who believe in proper processes when it comes to charging people.

Today, along with a number of my colleagues, both senators and members of the House of Representatives, I was fortunate to listen to Major Michael Mori, who spoke to us. He is the military lawyer who has been assigned to represent Mr Hicks. He took us through some of the trials and tribulations that Mr Hicks has had to go through. He also pointed out some of the problems with the military commission that the US government was proposing, one of which was that people did not have to give evidence; they could rely on paper evidence. That could produce grave injustices.

But today we saw an absurdity where, in the *Australian* newspaper, the Attorney-

General, Mr Ruddock, has tried to compare the trial processes of David Hicks with the trial processes of the Sydney gang rapists on the basis that no-one complained that they were in custody for five years, whereas they are all complaining about Mr Hicks being incarcerated for five years. The Attorney-General made a disgraceful analogy, because there is no analogy. For one thing, David Hicks is not undergoing a fair process—and he should be undergoing a fair trial process, with the right to a fair trial instead of being in a kangaroo court—whereas the Sydney gang rapists went through a process.

The truth in the case of the Sydney gang rapists is that there was a committal for trial very shortly after their initial arrest and crime. The offences occurred in August-September 2000, the committal for trial was on 9 July 2001 and there was a trial between 19 November 2001 and 20 December 2001. There were, however, multiple cases and so they had to be tried, and there were appeals et cetera. But you were dealing with people who had charges laid against them and who were properly represented.

The best thing that Mr Hicks has going for him is Major Michael Mori. He is a passionate individual. He is someone who has been prepared to stand up, having been appointed by his military superiors. He has not been backward in criticising what has been a flawed process, and the United States Supreme Court has supported him. Major Michael Mori said of Mr Ruddock that Mr Ruddock 'must be desperate' in terms of his analogy. The article in the *Australian* continues:

'There is no comparison,' he said. 'It is disappointing that the highest law enforcement officer in the country has moved away from the basic fundamental values involved in the criminal justice system.'

I do not know what, if anything, Mr Hicks has done. What I am arguing is that he

should be given a fair trial. That is what differentiates us from the terrorists. That is what civilised societies do. They do not produce kangaroo courts and bodgie tribunals to doctor particular outcomes. If the same thing was happening to American citizens, there would be outrage in America. But the interesting thing is that military commissions, under the presidential decree, cannot occur against US citizens.

Australian citizens are being treated as second-class citizens. We should have the same standards of justice for all combatants. That is what differentiates us, supposedly, from the other side. It seems to me that the only thing stopping Mr Hicks from being released is that this government knows that if he came back to Australia there would be nothing that he could be charged with. It is as a result of the lack of criminality in relation to the Australian jurisdiction that he is stuck in limbo in Guantanamo Bay with a bodgie process that still has to be thought through by the American congress. So there is going to be further delay. It is unacceptable—five years, currently no charges held against him and questionable in the future. He should be returned to Australia. If he has done something wrong then deal with him according to proper standards of law, not bodgie tribunals. (*Time expired*)

#### United Nations

**Mr JOHNSON** (Ryan) (4.44 pm)—Today I want to speak in parliament on a meeting earlier this week that I had the great pleasure of attending, along with many of my colleagues from both the House and the Senate. I had the great pleasure and privilege of meeting South Korea's foreign minister, Mr Ban Ki-moon, along with South Korea's Ambassador to Australia, Cho Chang-beom.

I attended that meeting in my capacity as Chairman of the Australia-Korea Friendship Group and it was a wonderful opportunity

for me as someone with a very strong interest in global affairs and international relations. Along with my colleagues, I met with Mr Ban Ki-moon to discuss his interest in and candidacy for the post of Secretary-General of the United Nations. As we all know, the tenure of the current Secretary-General, Kofi Annan, comes to an end very soon. There are candidates for that position from countries ranging from India and Sri Lanka to Thailand, as well as South Korea's foreign minister, Mr Ban Ki-moon.

In my capacity as a member of the government of the day in Australia, as Chairman of the Australia-Korea Parliamentary Friendship Group and as a citizen of this country, I warmly commend Mr Ban Ki-moon's nomination to Minister Downer and to the Australian government. Mr Ban Ki-moon is a very impressive man. His academic credentials are substantial indeed. He is a graduate of the Department of International Relations at Korea's most prestigious university, Seoul National University, as well as having spent time at the Kennedy School of Government at Harvard University. But more than that, he has impeccable credentials in the world of diplomacy and foreign affairs. He has served his country in some of the most important positions in the US, in Europe and in Asia. He has also held very important, high-level positions right at the edge of the workings of the United Nations.

I commend his academic record. I commend his working history to the government, because I think this is a time when the United Nations needs someone in that very significant post who will bring the United Nations into the 21st century. We all know that this is a massive organisation. It is profoundly important to the peace, harmony and security of the world. It is of course very complex. It is very cumbersome. It has huge flaws, it has setbacks and it has difficulties. But, at this point in time, it is the only

mechanism that we know of that has the capacity to make a difference. It is the only mechanism that can bring together all the nations of the world under one roof to not only discuss but address some of the major challenges facing our world.

Very briefly, I want to draw to the attention of the House five very important issues that I think will face Mr Kofi Annan's successor—and, for my part, I hope it is Mr Ban Ki-moon. There is global terrorism. Recently, we saw the bombings in India. We have experienced terrorism in our own backyard with the Bali bombings. In 2005 there were the underground bombings in London.

Another very challenging issue facing the world, particularly the newer countries, is that of nation building. East Timor, which is right in our own backyard, is a very new nation in the international community. The economic security and place of Pacific countries in our world structure needs a lot of attention.

We hear the word 'globalisation'. Globalisation needs the focus of the best minds of our world because it can bring enormous wealth, opportunity and economic benefits to the people all over the world. However, at the same time, globalisation frightens good, ordinary citizens of the world who do not fully understand it and who are not experiencing its benefits. There is also the issue of global poverty. We need to address poverty, particularly in Africa, so that everybody is safer. The UN is well placed to do this with the right man at the helm.

In relation to natural tragedies, there was the tsunami that gripped our part of the world. We as an international community should be working together to provide relief to those who were affected by such a catastrophe. The environment and energy are big-picture issues and it will require, as I said, the very best minds of our world coming



together, with all the goodwill in the world, to try to address them.

We have war and conflict throughout our world. We must solve the problems in the Middle East, including terrorist organisations such as Hezbollah— (*Time expired*)

#### **Battle of Long Tan**

**Mr GRIFFIN** (Bruce) (4.49 pm)—I rise on this day to take note of the 40th anniversary of the Battle of Long Tan. Firstly, I would like to make a general comment on the Vietnam War commemorations that will be occurring all over Australia in the next few days. These commemorations often invoke mixed feelings for the veterans of this conflict. Apart from the tragic circumstances that surround participants in any conflict, veterans of the Vietnam War were also poorly received upon their arrival back in Australia. I would like to apologise to the Vietnam veterans who were subjected to this treatment. It was wrong then, it is wrong now and it will always be wrong to have serving men and women of this nation treated in that manner. While the politics of any war may be questioned, the bravery, dedication and commitment of the young men and women who served their country should never be.

I would also like to say that the debt owed to our veterans for the treatment that they received goes beyond those who opposed the war to those who expressed support in words at the time but who have often since provided only words in support. As the Leader of the Opposition said earlier today, quoting from a letter from the member for Cowan:

... many good Australians opposed that war and not all who opposed that war took it out on the troops.

... ..

Equally it should be said that not all who supported the war supported the troops ...

In my view, any apology warrants the involvement of not only those who were unfairly critical of our troops but also those who have often paid lip-service to the needs of our troops since then.

In talking about the Battle of Long Tan today, I recognise the huge contribution that all Vietnam veterans made to the war effort. Bravery, dedication, commitment and sacrifice were in no way restricted to those who served at Long Tan, and I therefore thank all those who served their country during that war. Although Long Tan adds dramatically to the symbolism of Vietnam Veterans Day, it is a day for all Vietnam veterans, wherever they served and whatever their contribution.

The Battle of Long Tan has become part of the Anzac legend and the Australian psyche. It was a battle against all odds, fought by young Australians against a much larger and more experienced force. It was a battle in which mateship and courage under fire were defining characteristics. It was on the afternoon of 18 August 1966 that Delta Company 6RAR encountered an enemy force and for three hours, in the pouring rain, amid the mud, trees and mist in the Long Tan rubber plantation in Phuoc Tuy Province, South Vietnam, Delta Company fought for their lives, holding off a force of some 2,500 Vietnamese, including members of the NVA and of the Vietcong.

Most of the Australians were young national servicemen, led by a few regulars. They were new to the theatre of operations and had experienced only light and fleeting contact with enemy forces. Many of the Vietnamese, on the other hand, had fought battles in the region and knew the area thoroughly. They were only one half of a force advancing to attack the newly established Australian base at Nui Dat, only five kilometres away. Fierce fighting ensued as the Australians tried desperately to repel the numeri-

cally superior enemy force. Helicopter crews flew through the rain at very low altitude to resupply Delta Company. Artillery back at Nui Dat provided coverage which undoubtedly saved the lives of many of the soldiers in Delta Company.

Over the course of those three hours at the Long Tan rubber plantation, the Australians would see many acts of bravery. The young men steadfastly held their ground and defended it as wave after wave of the enemy attacked. With nothing more than the trees of the rubber plantation and a low-lying mist generated by the rain for cover, Delta Company 6RAR held out long enough for reinforcements to arrive, turning the battle around and forcing the enemy to retreat. Sadly, 18 Australian lives were lost that day: 17 from D Company and one from the 1st APC Squadron; 24 soldiers were wounded. On the other side, the Vietnamese forces suffered the loss of at least 245 men and had over 500 wounded. There is no doubt that the actions, bravery, dedication and commitment of the Australians on that day discouraged further attacks on Nui Dat.

I would like to take this chance to repeat Labor's longstanding policy and support for an inquiry into the Long Tan bravery awards fiasco, and I would welcome a bipartisan approach from the government. The member for Cowan has spoken on this issue on a number of occasions. It has been subject to quite a deal of debate and discussion and I will not go into the detail, but I would like to note comments made by the Prime Minister in his statement to the House today on this issue. The Prime Minister said:

The difficulty faced by any government in reopening a particular set of recommendations, having regard to changes that might have been made on the original recommendations, is that as one sense of grievance might be addressed so many others are opened up.

I ask: when has this ever been a reason to not correct a wrong or an injustice? When is it okay to say, 'We will not reopen this because it is too hard, it is too difficult and it might cause us problems in the future'? This is a completely unacceptable attitude that is completely out of touch with everyday Australians. If we took the Prime Minister's advice never to take on anything that is too difficult, nothing would ever be achieved. It is about time the Prime Minister and the Minister for Veterans' Affairs said that they are willing to act on this issue.

The ongoing suffering of many veterans and their families remains an issue for our government and our community. There is no doubt that more needs to be done with respect to the concerns of the families of Vietnam veterans and the circumstances they have had to deal with over the last 40 years in the aftermath of that war.

I commend to the House the bravery, dedication and commitment of all our Vietnam veterans. I thank them for their own and their families' sacrifices and I look forward to catching up with many of them at the various commemorative services over the next few days. I commend them to the House.

#### **Warnervale Community Centre**

##### **Central Coast: Coalmining**

##### **Parliamentarians' Entitlements: Printing**

**Mr TICEHURST** (Dobell) (4.54 pm)—I have been pushing the Minister for Families, Community Services and Indigenous Affairs for some time to include the Warnervale Community Centre in a pilot program. However, today in the Main Committee, the member for Shortland was doing the bidding of her Labor factional mate Councillor Warren Welham, who is promoting himself as the Labor candidate for the state seat of Wyong.

Labor has the view that, if the federal government comes to the rescue and bails it

out of its obligation, it then becomes incumbent on the federal government to keep doing so. Labor is so dishonest that it will say or do anything to get into power. The member for Shortland should know that there are two sides to a contract for funding. Two-way negotiations take time: proposals need to be requested and responded to and questions need to be asked and answered. The minister can respond only when answers are received, and this can cause delays. The state Liberal candidate for Wyong, Brenton Pavier, and I have visited the Warnervale Community Centre on a number of occasions to encourage them to get this information together as soon as possible.

I want to turn now to another issue. Several months ago, the Central Coast community successfully fought plans by Sydney Gas to mine gas in the Yarramalong and Dooralong valleys. Whilst the project was permitted under state Labor's legislation, I worked with the Australian Gas Alliance and local residents to stall the project because of its likely effects on our local water supply. The win showed just what can be achieved when residents work together to fight proposals that are not in the best interests of our area. It was a case of people power against corporate greed and, in spite of Labor's draconian legislation, the people won.

Sadly, we are again facing a similar encroachment: Kores Australia, which is a wholly owned subsidiary of the Korean Resources Corporation, a mining agency of the Korean government, want to mine the Wyong valleys for more than 40 years. The company wants approval to extract up to five million tonnes of coal a year from seams in the valleys between 350 and 650 metres below the surface.

Our water catchment is our most precious asset on the Central Coast, and the risk of contaminated water reaching our water sup-

ply is a worrying prospect for local residents and community leaders. Whilst this matter is under the jurisdiction of the New South Wales government, I have called on the Howard government to investigate the likely impacts of the company's plans on our water catchment. I have made a formal request to the minister for a federal investigation of the project, including the likely impact of coal-mining on the Central Coast watertable, the outcomes of similar projects in Australia and abroad, possible steps to ensure that our water catchment is not ruined and whether there are grounds for federal involvement.

As the federal member for Dobell it is my responsibility to run a ruler over projects in my electorate that will affect Central Coast residents and future generations. With the New South Wales Labor government set to receive up to \$1 billion in royalties and millions in rail freight if the mining goes ahead, I am very concerned that it will self-approve a project that is considered by the Central Coast community to be environmentally unsound. On the ground, the local community is working hard to voice its opposition to the coalmining. A public community meeting will be held next Tuesday at the Wyong Memorial Hall, and hundreds of people are expected to attend.

I understand that Australian Gas Alliance and valley residents have also begun erecting hundreds of protest signs in a bid to get a clear message to the New South Wales Labor government. This fight affects every single resident of the Central Coast, because it is our water supply that is under threat. The valleys represent 50 per cent of the water catchment for the whole of the Central Coast. As demonstrated in the local fight against the mining plans of Sydney Gas, Central Coast Liberal Party members, state candidates and councillors are committed to protecting our natural environment and lifestyle and to supporting local residents. I

speak on behalf of the Central Coast community when I say that, with the Central Coast being one of the biggest urban growth areas in New South Wales, and with our water supply at an all-time low, any project that poses even the slightest threat to our water supply should not even be on the table. I call on the New South Wales Labor government to reject this absurd proposal. If the Labor member for The Entrance and Minister for the Central Coast is serious about wanting to retain his seat, I suggest he get on to Morris Lemma as soon as possible.

In conclusion, Mr Speaker, I understand that in today's matter of public importance debate mention was made of the printing allowance for members of the House of Representatives. I ask the minister at the table to please comment on what was mentioned in that MPI.

**Mr David Hicks**

**Mr JENKINS** (Scullin) (4.58 pm)—This morning I was very fortunate, along with over 30 parliamentary colleagues from both the House and the Senate, to be involved in a briefing by Major Michael Dante Mori, the very brave and intelligent military counsel who is acting on behalf of David Hicks. Major Mori gave a very succinct but full outline of the circumstances of David Hicks since he was first arrested nearly five years ago and the circumstances of his detainment in Guantanamo Bay. I join with the honourable member for Banks in asking that the government either make approaches to the US government and have David Hicks returned to Australia or place pressure on the US government to ensure that a process is put in place so that any charges for any offences that David Hicks may have carried out can be looked at with procedural fairness to him.

**The SPEAKER**—Order! It being 5 pm, the debate is interrupted.

**Mr Nairn**—I require the debate to be extended.

**The SPEAKER**—The debate may continue.

**Ministerial Reply**

**Mr NAIRN** (Eden-Monaro—Special Minister of State) (5.00 pm)—In the adjournment debate, the member for Dobell raised the issue of printing entitlements. It was also raised in the MPI earlier today and through comments by the member for Wills over the last 24 hours. I want to inform the member for Dobell and others that the printing entitlement is a very important tool which allows members to communicate with their electorate. Moreover, I note that when this entitlement was introduced by Labor in 1990 the amount which could be spent was unlimited. I repeat: under Labor, the amount was unlimited. Members of this House, during that period, occasionally spent more than \$200,000 in a year, more than \$300,000 a year and even more than \$400,000 a year. It took the courage of this government to put a limit of \$125,000 on that printing entitlement, and that was over four years ago. Costs go up. Recently, I wrote to all members saying that the printing entitlement would be increased to \$150,000.

The member for Wills has made a number of statements publicly about this. In fact, he made the comment on Perth radio today that \$125,000 is already too high. I wonder whether the member for Wills has spoken with his colleague the member for Griffith. I do not think the member for Griffith will think that \$125,000 is too high. When I looked at last year's expenditure, I found that the member for Griffith have spent \$124,999.99. The member for Griffith had only 1c left from his entitlement last year. I wonder what he could spend that 1c on.

**Mr Kelvin Thomson**—On a point of order, Mr Speaker: if the minister wishes to

release the details of one MP, is he willing to release the details of all members of parliament?

**The SPEAKER**—That is not a point of order. The honourable the Special Minister of State.

**Mr NAIRN**—The member for Wills made a number of other statements. I wonder whether he has spoken to the Leader of the Opposition as well, who spent almost \$110,000 last year. The member for Wills also said in that interview that the previous cap was \$62,000. That is absolutely wrong and completely false. There was no cap under Labor; it was unlimited. You could spend all you liked, and that is what happened. Labor drafted the regulations back in 1990 and we all remember Senator Richardson's book about whatever it takes. Unlimited expenditure was all part of it. With all of the commentary over the last 24 hours, let us remind people outside this House who have commented on this that under Labor there was unlimited expenditure.

The member for Wills at times has also commented on postage and various other things. I know that the member for Batman at one stage said you would probably need to spend only \$30,000. The member for Batman spent a bit more than that. The member for Wills spent well over double that, so obviously there is a conflict there.

This has all been cheap political point-scoring. In fact, a couple of years ago when the ALP joined the Democrats and Greens to disallow an increase to allow for inflation, they did not disallow all the things that they thought were pretty good for them—extra charters, business travel for their staff, more computers for them and mobile phones. They were very happy to take all those things, but when it came to this, they took the chance to make a political point. Even the chairman of their so-called 'waste watch committee' also

spent over \$100,000. So contrary to what the member for Wills is saying about it being all too much, so many of his own people were quite happy to do that. Let us look at the entitlement. In my electorate, the increased amount, the \$150,000 entitlement for printing in order to communicate with your electorate, works out at \$1.61 per elector per year. I do not think that is outrageous.

There was also talk about postage. The postage entitlement is 50c per elector per year. So members of parliament will be able to write to each elector once per year. That, in the words of the member for Wills, is excessive. I do not think that is excessive. I think constituents in electorates expect their federal members to correspond with them. In this day and age, there is a lot of information which they are looking for. Certainly members are well and truly entitled to correspond with their electorate and that is exactly what this entitlement allows them to do, to send them information. I know that members opposite have been very busy sending things over a number of years. They were very busy when under Labor you could spend as much as you liked. Members on all sides were busy.

Members of parliament send all sorts of information to their constituents. I do not think the general public would be concerned if members of parliament were able to correspond with each of their constituents once per year. That is all the postage allowance provides—50c per elector. I know that members on both sides of the House send appropriate information to constituents in newsletters: government information about pensions, seniors, veterans, child care, all of those sorts of things—the sort of information that ought to be provided. In this day and age people are very keen to receive as much information as possible and it is the role of members of parliament to provide them with the necessary information.

The ramblings of the member for Wills on radio, talking about dropping leaflets from aircraft and all those sorts of things, were sensational—and as stupid as the question from the Chief Opposition Whip today about chickens, I suppose.

In conclusion, I repeat that this government put a cap on expenditure. Under Labor there was unlimited expenditure, and people need to understand that. This government put a cap on expenditure four years ago and it is now appropriate to increase the amount because it has not been changed since. It probably will not be changed again for a number of years and that is the appropriate way to deal with entitlements.

**House adjourned at 5.10 pm**

**NOTICES**

The following notice was given:

**Mr Cadman** to move:

That the House acknowledges that:

- (1) the cost of housing in Australia is often more than double what it should be;
- (2) the high cost is mainly due to the huge increase in the price of land and, as a result, land affordability is a problem in Australia, and especially in Sydney;
- (3) Sydney is the most penalised city in the country, with affordability being worse than in London or New York;
- (4) the main causes are State and local government planning restrictions and taxes; and
- (5) State and local governments must play their part to reduce the cost of housing so the great Australian dream remains a reality, especially for future generations.

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*Thursday, 17 August 2006*

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**The DEPUTY SPEAKER (Hon. IR Causley)** took the chair at 9.30 am.

**STATEMENTS BY MEMBERS**

**Western Suburbs Housing Cooperative**

**Ms OWENS** (Parramatta) (9.30 am)—Today I bring to the attention of the House the wonderful work being performed by the Western Suburbs Housing Cooperative in Sydney. In the current climate of interest rate rises and dwindling Commonwealth funding to public housing, the co-op is struggling on. It administers 460 affordable, appropriate and secure properties in the Parramatta, Holroyd, Auburn and Blacktown local government areas for people in need. The chief executive officer of the co-op, Peter Malone, and his staff work tirelessly and patiently to deliver affordable housing options to their tenants. But the co-op currently has a waiting list of over 1,000 applicants and, as the residents of Western Sydney suffer the triple whammy of rising interest rates, skyrocketing petrol prices and the wages race to the bottom, courtesy of the Howard government's extreme workplace laws, this waiting list is only getting longer. I hear on a weekly basis now from organisations in my electorate that provide free meals to the homeless of the growing number of families that come along to avail themselves of their service as a way of continuing to meet their rental needs. They get their food for free because they can only just afford their rent. More and more of these families are turning to agencies like the co-op for subsidised housing, and they are doing it in far greater numbers.

What will the government do to help benevolent agencies like the Western Suburbs Housing Cooperative? It will do nothing; in fact, it is doing the opposite. Since this government won office in 1996 it has stripped funding under the Commonwealth-State Housing Agreement by 30 per cent. Because of this, only half the number of new tenants could get into public housing in 2005 as could in 1995. This puts more strain on the waiting lists of affordable non-government housing providers such as the Western Suburbs Housing Cooperative. The government claims that it does not need to fund public housing because it is spending more on rent assistance, but we already know that this is a false argument. There are still fewer people receiving rent assistance than there were in 1997 when the Howard government cut back eligibility.

Labor believes that secure and affordable housing is square 1 in building a decent life—square 1 for participating in education, training and employment and square 1 for building a secure future for their children. Under a Labor government, excellent organisations like the Western Suburbs Housing Cooperative will be better able to deliver their service to people in need instead of frantically trying to deal with the burden of overflows from people who cannot get into state government housing.

Labor supports the establishment of a national affordable housing agreement which would aim to increase the level of public and community housing stock as well as promote partnerships between the public, community and private sectors to provide affordable housing for both purchase and rental. The Western Suburbs Housing Cooperative is a wonderful example of just how effectively these partnerships can work in practice. I wish them all the best in continuing their crucial work of delivering affordable housing to people in need in the western suburbs of Sydney. I want to congratulate Peter, Cheryl and the team for the service they have

been able to deliver since their inception. I am sure they will continue to deliver excellent service to the people of Western Sydney for many years to come.

#### ***Duyfken and HMAS Gladstone***

**Mr NEVILLE** (Hinkler) (9.33 am)—Last weekend the authentic replica of the Dutch vessel *Duyfken* dropped anchor in Gladstone. It was moored at the O'Connell Wharf, giving thousands of people a rare opportunity of experiencing a working 16th century vessel. As always, Gladstone carried out the ceremonies with commendable aplomb. The mayor, Peter Corones, and the Indigenous elders were there. We had a particularly fine function on the jetty and then inspected the *Duyfken*, which is on a 16,000 kilometre voyage from Western Australia to Cape York to commemorate the 400th anniversary of the *Duyfken's* passage through the Torres Strait.

The Australian government has provided almost half a million dollars towards the cost of the journey, which is the centrepiece of the government's 2006 focus on coastal and maritime heritage. As I said, the *Duyfken* started its journey in Western Australia—in fact, from Fremantle—on 6 April, and it will end its journey after visiting 25 ports. The ship was to have visited Bundaberg also, but was prevented by high winds.

Gladstone was a very appropriate place to take this vessel because it is a rich centrepiece of Australian maritime history—it played a seminal part during the Second World War. It is the focus of the Brisbane to Gladstone yacht race, Australia's second biggest race. It is now a major port—the fastest growing port in Australia—exporting 12 per cent of Australia's materials by volume. So for that reason it was quite appropriate. It is said that some Spanish and Portuguese coins were found on a headland at Gladstone and it is speculated that one of the ships in the Quiros or Torres fleet may well have come down the east coast of Australia.

Gladstone is about to construct a maritime museum and I have been at the forefront in trying to have HMAS *Gladstone*, which is shortly to be decommissioned, transferred to Gladstone. It is a Fremantle class patrol boat and, as honourable members know, they are shortly to be replaced by the Armadale class. It was commissioned in 1984, and I urge the government in its allocation of this vessel to give the highest priority to Gladstone. As I said, it is a city that does things well. It will be well displayed and it will become the centrepiece of a fine maritime museum in Central Queensland.

#### **Battle of Long Tan**

**Ms BURKE** (Chisholm) (9.36 am)—On the 40th anniversary of the Battle of Long Tan I want to put on record my thanks to all Vietnam veterans, most particularly the Vietnam veterans who make up the backbone of Box Hill RSL. On Saturday night I was privileged, yet again, to go to the commemorative dinner dance of the Vietnam Veterans Association sub-branch of Box Hill RSL. As always, a fun time was had by all. I want to put on the record my absolute thanks to Charles Cook, who did a stunning job yet again in organising the event and our very own John Howard at Box Hill RSL, Shane Arnold, Brian Tateson and also Tony Bowden, who is the President of the Box Hill RSL, also a Vietnam veteran, and to say thank you for the work they do.

On the night I had the privilege of unveiling a commemorative piece of artwork that the Vietnam Veterans Association have commissioned and the Box Hill RSL has helped with the funding of. It is a \$7,000 piece of art and it is a phenomenal work that has many panels. They



commissioned a well-known professional artist, Terry Miller. Terry's brother is the current painter for the Army. He was been doing quite a lot of work in Iraq. There is not a lot of artwork that commemorates the Vietnam War, so this was thought to be a fitting tribute to the many men and women who are members of the Box Hill RSL who served during that conflict. It will hang in the new building that the RSL is commissioning and not only will that building become one of the largest RSLs within Victoria but probably it will rival many throughout Australia.

The RSL did seek funding for this \$7,000 piece of art under the Commonwealth memorial grants and they were successful in securing \$3,000 towards it. The RSL are, however, outraged today to see in the newspaper that Mr Barresi, the member for Deakin, has claimed credit for securing that funding for them. They are very disappointed. As several members have said to me, if I were a Liberal they would vote for me but I am not, and now they are not voting for Liberals ever again. This has caused absolute outrage down at my RSL and outrage amongst my Vietnam veterans. They commissioned the work; they sought the funding. They had no assistance from Mr Barresi, the member for Deakin. They are very hurt by this action today of his claiming credit for this in the newspaper. Yes, the government gave them the money—I do not dispute that—but they did not seek any assistance. The RSL are a very self-sufficient group. They are a very commendable group and they are very disappointed with this action today.

What should have been a great commemoration has been soured by somebody else taking credit for what they have done. This has been a work in progress for many years. It has taken many years to convince the committee at the RSL that this would be the right thing to do. It has taken time to raise the money. The actual funding at the end of the day was an extra kick. They are very appreciative but they are very hurt by the actions of the member for Deakin. *(Time expired)*

#### **Battle of Long Tan Memorial**

**Mr SLIPPER** (Fisher) (9.39 am)—I rise in the chamber today to praise the Maroochy Shire Council for the memorial it is in the process of constructing at Alexandra Headland in my electorate of Fisher and to commemorate the wonderful service that HMAS *Brisbane*, a former guided missile destroyer, did on behalf of its nation. Councillor Chris Thompson, Chairman of the Sunshine Coast business branch of the Liberal Party, and I accompanied people to a meeting with Minister Bruce Billson and we were able to achieve a grant of \$30,000 for the new memorial as a Commonwealth government contribution. This memorial is one of a number of projects to receive Australian government support to mark the 40th anniversary of the Battle of Long Tan on 18 August 2006.

Councillor Thompson has worked long and hard to help achieve this memorial and to have it in a very prominent place on the Sunshine Coast. The HMAS *Brisbane* was sunk last year following a five-year battle to get the ship sunk as a dive wreck off the Sunshine Coast. It will continue to serve its nation for approximately 500 years as a dive wreck, boosting the local economy, bringing tens of thousands of divers to the Sunshine Coast and, at the same time, making a substantial contribution towards our marine environment. Fish stocks will benefit and the marine environment more generally will be advantaged as a result of sinking HMAS *Brisbane* off the Sunshine Coast.

It was a long battle. We got the ship allocated to Queensland with the proviso that it be sunk off the Sunshine Coast. There was a lot of toing and froing with the state government, a lot of difficulty experienced, particularly with the state Labor member for Kawana. Normally, of course, the federal government gives the ship to the state and the state funds the sinking. In this case the state refused to fund the sinking, so I had to go to the minister to obtain initially a \$1 million grant and then a \$3 million grant to get the ship sunk. On a number of occasions I had to speak to the Premier himself, who did prove to be very cooperative, and last year we were able to see the ship sunk as a dive wreck off the Sunshine Coast.

The memorial at Alexandra Headland is in the shape of a ship. It is a truly impressive memorial and it will bear witness to the fact that the ship has been sunk off the Sunshine Coast as a dive wreck. It will remind people of the wonderful service that this ship has given and the service it continues to give to the nation as a dive wreck. It will also encourage large numbers of dive tourists to come to the Sunshine Coast, creating jobs and boosting our local economy. This is a win-win situation. I want to thank the federal government for its contribution towards the memorial and to congratulate the Maroochy Shire Council for taking the initiative to make sure this wonderful memorial becomes a reality. (*Time expired*)

#### **Workplace Relations**

**Ms VAMVAKINO** (Calwell) (9.42 am)—As my electorate is home to the Melbourne airport, I have many constituents who work in the aviation industry and who are employees of Qantas and its subsidiary Jetstar. So today I want to speak about the current round of Jetstar AWA negotiations and the implications these will have for Jetstar workers and the wider aviation industry. Under these AWAs cabin crew who are conducting international routes will receive, in total, a package of between \$41,000 and \$46,000 a year, depending, of course, on how much they earn in commission from onboard sales of food, drink and other products. According to the Jetstar CEO, Alan Joyce, most people would regard this salary package as a phenomenal salary.

A representative of the Flight Attendants Association, Mr Michael Mijatov, begs to differ with Mr Joyce and he has described Jetstar's treatment of staff as 'cannon fodder'. The AWAs will mean that Jetstar cabin crew will be receiving 20 to 30 per cent less than comparable Qantas cabin crew who are engaged on international routes. When compared to the salary of \$4 million per year for Qantas CEO, Geoff Dixon, you are indeed seeing a phenomenal discrepancy. It is obvious that while flight attendants' wages are being eroded by Jetstar, no such belt tightening for the executives in the Qantas group seems to be in order. Executive pay will increase by a staggering and phenomenal \$12.2 million. This is simply another example of the government's industrial relations legislation creating a race to the bottom for wages for ordinary Australian workers and a race to the top for their CEOs.

Jetstar employees working international routes are being offered a package that involves commissions for the sale of pillows and blankets and that will see them work longer hours than their counterparts in Qantas. This attack on the employment conditions of flight crews sets a dangerous precedent for the aviation industry. It pits employees against each other and allows for a situation where the reduction of pay and conditions for one group inevitably will lead to a situation where other employers follow suit, confident in the knowledge that, if one set of workers in the industry accepts inferior conditions and wages, then others can be forced to do the same. This is how the government's industrial relations legislation works. At the

grassroots level it works to undermine the wages and conditions of workers who are part of a collective bargaining agreement process.

Qantas and its wholly owned subsidiary Jetstar have not ruled out using AWAs in other parts of the business. This is despite the fact that unions representing workers across the Qantas group have pointed out that collective bargaining agreements negotiated with unions have delivered Qantas flexibility, productivity improvements and record company profits, despite a global downturn in the aviation industry that has seen many airlines lose money and even fall. *(Time expired)*

#### **Kingston Electorate: Exxon Mobil**

**Mr RICHARDSON** (Kingston) (9.45 am)—I rise today to raise an issue which is vitally important to many of the residents in my electorate. In 2003 Exxon Mobil closed its refining facility at Port Stanvac in my electorate of Kingston. The site is heavily polluted, as you would expect most oil-refining facilities to be, particularly those that were established, as this one was, in a time when environmental impact studies and regulations did not exist. Shortly after the announcement of the closure was made by the South Australian Labor government they did a deal with Exxon Mobil to enable them to mothball the refinery rather than to clean up the site. That deal gave Exxon Mobil a deadline of July 2006 to make a decision about the site. What the state Labor government did not tell the people of South Australia was that their dirty deal with Exxon Mobil granted them a right of extension of three years, after which they would have a further 10 years to clean up the site.

After the South Australian Treasurer, Kevin Foley, made the announcement of the extension, I called a public meeting for all residents whose homes are in the vicinity of the refinery. There was in excess of 100 people at the meeting. Justifiably, there was much public outrage about the situation. At the meeting, the state government's representative and Exxon Mobil justified their abandonment of residents of the southern suburbs by arguing that it might one day become profitable for Mobil to reopen the refinery. Who are they kidding? It was insulting to residents of the southern suburbs. They are not stupid. They feel abandoned.

There is a large body of scientific evidence which suggests that the pollution at the site is seeping into the underground watertable and the Gulf St Vincent, yet the state Labor government has chosen to ignore the situation. At the same time, expansions in the southern suburbs have resulted in a shortage of suitable industrial land while the Stanvac site sits empty and abandoned.

The message of the meeting was clear: residents are outraged, as I am, at how badly the state Labor government, which was elected to represent them, has let residents of the southern suburbs down. The foreshore area at least should be immediately returned to the state and remediation to the environment and the coastline commenced to allow the open coastal shoreline to be retained. This issue is of vital importance because the southern suburbs, too long abandoned by the state Labor government, deserve better.

#### **Seniors Watch**

**Mrs ELLIOT** (Richmond) (9.47 am)—I rise today to speak on a very important initiative, which is Seniors Watch. This initiative has been launched in my electorate of Richmond. Over 20 per cent of the people living in Richmond, and the Richmond electorate, are aged over 65 years. That is obviously a very large proportion of the electorate and one of the highest per-

centages of that age group in the country. Seniors are a very integral and vibrant part of our community. I feel very fortunate to have such an active community of seniors in Richmond.

Lately, there has been a marked increase in the number of seniors coming forward to tell me about their issues and how the failures of the Howard government have made their lives so much more difficult. Local seniors are telling me how they are feeling under pressure with the rapidly increasing cost of living, particularly as so many seniors are on fixed incomes and finding it very difficult to cope with the increases in so many cost-of-living areas. Local seniors are telling me that the Howard government have gone too far and that the Prime Minister does not understand the pressures that seniors are under and that he is not even listening to them.

I am listening. I believe that seniors built our nation and I know our local seniors deserve so much better. I believe we absolutely need to make sure that our seniors are respected, not forgotten. That is why I launched Seniors Watch on 4 August. Seniors Watch is a community driven initiative that enables seniors to keep me informed of how the federal government policies are affecting them locally. This launch was held at Tweed City Shopping Centre and was well attended by many local seniors. I was very pleased that the shadow Treasurer, the member for Lilley, was able to attend and assist with the launch.

Local seniors raised many issues which they feel have been forgotten by the Howard government, particularly the lack of Commonwealth funded dental care, which is a major issue in the electorate; the lack of aged care places; the lack of EACH and CAPS packages for home care, which are so desperately needed; the increase in health care costs and pharmaceuticals; and skyrocketing petrol prices, which are causing a major impact.

The other issue, of course, is the lack of public transport. Local seniors want to see a restoration of our Casino to Murwillumbah railway line. Recently we saw the New South Wales state government commit \$75 million, if the federal government matched that commitment with \$75 million. I call on the Prime Minister to match that commitment to secure the future of this line. It is such an important issue for our community. I call on the Prime Minister to stop the buck-passing; it is time to get our train back. That certainly is a major issue for seniors in Richmond.

Another issue is the increase in the cost of living. We are looking at increases in food and telephone costs, which cause major impacts upon our local seniors. As I have said, I believe that seniors built this nation, and I am always here to support them. I will always encourage local seniors to keep contacting me with their concerns. These local seniors feel they have been forgotten, but I will certainly keep listening to them and keep raising their issues here. *(Time expired)*

#### **Diggers and Dealers Mining Forum**

**Mr HAASE** (Kalgoorlie) (9.51 am)—I rise today to congratulate all those involved in the 14th annual Diggers and Dealers Mining Forum, which was held last week in Kalgoorlie-Boulder. This event was started in its current format in 2003 by Geoffrey Stokes, the then owner of the famous Palace Hotel. The event continues to be organised by the Stokes family today, ably led by Kate Stokes. The initial attendance was 350, but the event has developed into the most important mining forum in the world, with 1,620 delegates this year and more than 280 mining and investment leaders from all over the world. There were 41 presentations

from mining companies across the spectrum—from large multinationals to small local explorers—on everything from gold, nickel and diamonds to iron ore, base metals and rare earths. There was a press contingent of 36, including all the leading mining magazines and major international newspapers.

Diggers 2006 was chaired by Brian Hurley, a respected former Western Mining Corporation employee. Western Mining was a company developed under the leadership of Sir Arvi Parbo. Diggers is known for its balance of ‘work hard, play hard’. This year there were three hard days and three long nights, including a cocktail party, the traditional Diggers and Dealers bash, and the WesTrac Gala Dinner, featuring entertainment from comedian Jean Kittson and the finest food and wine available.

The direct value of the forum to the local economy has been estimated at \$3.5 million. The indirect value to the state of Western Australia and the nation via investment is immeasurable, but it would certainly exceed several billion dollars. This year’s awards went to Oxiana Ltd for Digger of the Year and to Hancock Prospecting for Dealer of the Year. The Geoffrey Stokes Memorial Award went to the team of four who set up Eltin Contracting, which changed the face of the industry, introducing major contract mining. The Media Award went to Ian Howarth.

The dates for next year have been set for 6 to 8 August. I encourage everyone in the resources industry to start planning their trip to Kalgoorlie-Boulder now. Kalgoorlie-Boulder has been the centre of goldmining in Australia for more than 100 years. It has been recognised certainly as the goldmining capital of Australia. It remains the powerhouse for the promotion and the development of the resources industry, and it is certainly now recognised internationally. There is a fantastic array of modern facilities in Kalgoorlie today. It also, of course, features the ever increasingly famous Prospectors and Miners Hall of Fame, a mecca for all those involved in the history of mining. (*Time expired*)

#### **Sydney (Kingsford Smith) Airport**

**Mr GARRETT** (Kingsford Smith) (9.54 am)—The residents of Kingsford Smith are completely opposed to the proposals for an extension of business activities at Sydney airport. Whenever there is discussion and debate surrounding the government’s handling of its responsibilities over Sydney airport—the nation’s largest and busiest airport, situated in a critical area of infrastructure with port facilities nearby and the financial and corporate hub of Australia on its doorstep—I am always keen to ensure that there is the capacity for local residents to be both informed and heard. For this reason I have been particularly concerned of late by two issues which directly affect residents in Kingsford Smith: the bungling of airport security, as reported this week in the media, and the proposed development of a retail shopping centre on airport land.

At a time when there are reports of security gates being left open and cars sneaking through security checkpoints—obvious breaches of security which expose a number of operational failings—we still do not have a full-time Inspector of Transport Security. How can the Howard government be taken seriously on airport security when they do not even have a full-time cop on the beat? And to add further complication and concern for those in the vicinity of airport land—the residents of the suburbs of Kingsford Smith—we now hear that Sydney Airport Corporation Ltd has submitted a revised development proposal to build a shopping complex at the junction of Foreshore Road and the M5 motorway, an area of significant traffic

congestion at most times of the day—and this time without any form of community consultation.

Previously I noted that the majority of constituents in Kingsford Smith were totally opposed to this development. I can now update members on exactly how unpopular this proposal has been. A recent poll in my local paper, the *Southern Courier*, published on 8 August, showed almost 80 per cent of residents were opposed to any further retail development at Sydney airport. Additionally, the state member for Heffron, Kristina Keneally, conducted her own survey and advised the minister of the results, which included the fact that 88 per cent of respondents were concerned about the impact on traffic volumes from the proposed development and 81 per cent nominated the lack of control by state and local planning authorities for the proposed development as a significant concern.

It beggars belief now that a revised proposal can be submitted to the minister without any consultation with residents, local councils or the state government. Minister Truss has only one option, and that is to dismiss outright this totally inappropriate and unacceptable proposal.

I note the minister's comments that the primary purpose of all federally based airports is to be used as airports. This proposed development, which is in completely the wrong place, which poses significant difficulties for the management of air traffic control on the airport, which opens up the possibility of further exposure to terrorism risks and, most significantly, which imposes an additional burden on the local residents, is completely unacceptable. (*Time expired*)

#### Energy Initiatives

**Mrs GASH** (Gilmore) (9.57 am)—Earlier this week, the Prime Minister announced exciting new initiatives to help Australia confront the spectre of rising fuel costs. In doing so he has effectively stimulated a debate on alternative energies that has lain moribund for some considerable time. Even in the short time since the announcement of the government's package, people are beginning to realise that other energy sources do exist. The cost of oil is such that these alternative technologies are approaching a phase where further investigation and research is warranted and viable. For some time now I have championed the case of ethanol, and here we are at the threshold of an era of ethanol based fuels. I have already made arrangements to have my car converted to E85 in anticipation of the demand that will surely come from this week's announcement. When this happens, as it has in other parts of the world, there will be a demand for conversions, and I hope that the government extends the same offer of conversion subsidies to E85 as it has for LPG. Incidentally, the cost of an E85 conversion is less than \$400.

What I want to speak about today is another potential source of alternative energy that has been around for quite some time—and that is coal. The Illawarra has an abundance of coal. It has been said that Australia has about 4,000 years worth of supply. I cannot vouch for the veracity of that claim, but I do appreciate that it is an energy source that warrants further investigation in thinking outside the box. The only downfall with coal is the issue of carbon dioxide emission. There is no point in going from the frying pan into the fire in this age of global warming, so that is an aspect that requires serious attention. The aspect of coal that I want to raise is the technology of liquefaction or even conversion to gas. This technology has been around for some time but it needs refining and we in the Illawarra—and, to an extent, the Shoalhaven—are well placed to take up the challenge of further research. The price of oil is

about \$73 per barrel, so it is up to the Australian industry to take up the challenge and pursue this research even further.

I heard the lament of the coal industry in the 1980s. Here is their chance for a big comeback. It is something that the government can assist with in the way of research grants. With our coal deposits, Australia is well placed to be the leader in this field. We do not want to end up losing our capability to overseas interests. We can enter another golden age, as we did at the beginning of the 20th century with steel, manufacturing, wheat and coal. We may not be heavyweights in manufacturing any longer, but we are well positioned in technology and we should be pursuing that for all it is worth. The oil crisis should be seen as an opportunity rather than a disaster. It is forcing us out of complacency and into a brave new world—and that is a good thing. We should take up the challenge and we should run with it.

#### **Battle of Long Tan**

**Ms HALL** (Shortland) (9.59 am)—In the few seconds remaining in this debate I would like to pay homage to all of the Vietnam veterans in the Shortland electorate at the time of the 40th anniversary of Long Tan.

**The DEPUTY SPEAKER (Hon. IR Causley)**—Order! In accordance with standing order 193, the time for members' statements has concluded.

### **PRIVACY LEGISLATION AMENDMENT BILL 2006**

#### **Second Reading**

Debate resumed from 22 June, on motion by **Mr Ruddock**:

That this bill be now read a second time.

**Ms ROXON** (Gellibrand) (10.00 am)—I rise today to speak on the Privacy Legislation Amendment Bill 2006. As all of us in this House know, privacy protection is emerging as one of the most important policy issues of our time. We are increasingly aware of the threats to the use of our personal information in the contemporary environment where so much of our personal information is available, collected and shared. Labor believes that our privacy laws need to strike a balance between the value of sharing information for the benefit of both individuals and the wider community and privacy considerations that are needed to protect an individual's personal information.

This bill addresses three separate issues. You will see during the debate today, Mr Deputy Speaker, that we believe that the bill does strike the balance which Labor is concerned to ensure that privacy legislation does strike. Firstly, the bill amends the National Health Act 1953 and the Privacy Act 1988 to allow for the collection by medical practitioners of health information about their patients in order to monitor suspected excess use of prescription medicines. Secondly, the bill provides privacy protection for human genetic information under the Privacy Act 1988. Thirdly, the bill prescribes circumstances where health professionals are permitted to disclose genetic information about a patient to their genetic relative.

Labor support this bill as we believe the measures it contains effectively strike the delicate balance that is needed. It provides a regime that helps protect the integrity of our prescription drugs system and will provide greater clarity and assurance to health professionals around the collection and disclosure of personal and genetic information while simultaneously addressing the privacy concerns of Australian citizens. I will deal with each of these parts separately.

Schedule 1 of the bill inserts a new section 135AC into the National Health Act so that, when health information is disclosed lawfully under a health law or the Medicare Australia Act 1973, any subsequent collection of that health information will be deemed to be authorised under the Privacy Act. Schedule 1 also amends the national privacy principles—10.2(b)(i) in schedule 3 of the Privacy Act, which deals with the collection of sensitive information. The amendments in schedule 1 will ensure that medical practitioners may utilise information concerning their patients through the prescription shopping information service without breaching the national privacy principles.

These changes are largely due, it must be said, to the mismanagement and incompetence to date of the Howard government in the management of the health portfolio. In 2002 it ill-advisedly disbanded the highly successful doctor shopping hotline which had provided an efficient system for GPs to access the prescription history of patients who were suspected of excessive Medicare consultations or prescriptions. A busy GP could simply call the doctor shopping hotline and confirm that a suspicious patient was on the doctor shopping list. Clearly, the misuse of Australia's medical and prescription services is an issue of legitimate public concern—a health issue that does need continuous monitoring and attention. The doctor shopping hotline was widely acknowledged as having successfully reduced Medicare services, PBS subscriptions and overprescription of particular drugs such as codeine compounds and narcotic analgesics. Yet with little real explanation, the doctor shopping hotline was dropped in 2002.

In place of the doctor shopping hotline, the government promoted the poorly designed Prescription Shopping Information Service. It was proposed to expand the program from the three drug groups used for the doctor shopping hotline to cover all PBS drugs—an initiative that clearly could have increased its value. However, this initiative was never fully implemented as privacy concerns severely impeded the new system. Under the PSIS, doctors could only obtain PBS data about their patients if the patient voluntarily consented and then it took seven to 10 days to get the prescription records. Clearly, these practical limits decreased its value to the community because it was so slow and difficult for doctors to use.

These onerous procedures in the PSIS undermined the value of the entire system for monitoring potential abuse of the health system, a fact that the Minister for Health and Ageing, Mr Abbott, seemed only to realise when it was revealed on ABC's *7.30 Report* in late 2004 that a coronial inquest in Cairns had found that the decision of the federal government to abandon the doctor shopping hotline was a significant factor in the death of a young man from legally prescribed methadone and other drugs.

Belatedly, Minister Abbott took action in February 2005 to ensure that the PSIS could operate more effectively. A temporary public interest determination was made by the Federal Privacy Commissioner, which was granted under sections 80A and 80B of the Privacy Act in order for the system to operate properly and have the coverage that was clearly desirable. The determination, initially made in February 2005 and extended in February 2006, ensured that doctors could receive PBS prescribing information about their patients without contravening privacy legislation. That temporary determination is due to expire on 22 December this year.

Schedule 1 of this bill will now formalise in legislation that temporary public interest determination made by the Federal Privacy Commissioner, and finally, belatedly and—I might say, hopefully—will allow for the effective operation of the Prescription Shopping Informa-



tion Service. The PSIS is a good illustration of when personal information can be used in a manner that benefits the community as a whole, yet in these circumstances it is still important that a balance is achieved in protecting the privacy of individuals' personal information.

Accordingly, Labor supports this schedule. Labor also supports the second set of measures contained in this bill which provide privacy protection for genetic information under the act. Genetic technology offers huge potential for better medical diagnosis and treatment: it is increasingly being utilised by medical practitioners and researchers as a diagnostic tool to detect a range of inherited disorders, to confirm or disprove the results of other diagnostic tests, and as a predictive indicator of whether an individual might be affected by, or be susceptible to developing, an inherited disorder later in life. Genetic information may provide genetic relatives with life and health options otherwise unattainable, assisting and making decisions about diet, parenthood, work and lifestyle.

As genetic technology advances and more and more information is learnt about diseases, traits and predispositions, the promise of scientific and medical applications that will benefit the whole community clearly grows. However, these rapid advances in human genetic technology over the past decade have raised concerns regarding the capacity of the Privacy Act to adequately protect the privacy of human genetic samples and information. Genetic information used in a way other than initially intended may cause considerable harm. We must remember that people identified with unfavourable genetic dispositions may face discrimination or preferential treatment in a variety of arenas—in the provision of health and life insurance, employment or access to sport. Genetic information may also be used in a manner not originally intended in parentage testing or immigration matters.

It is for these reasons that Labor believes that the vast potential of genetic material must be balanced by laws and systems that protect personal information from misuse and provide for its proper use and handling. Australians need to have faith in the effective public regulation of their personal information, particularly when it is of such a sensitive nature. These amendments are a positive move in this direction, providing privacy protection for genetic information within the existing framework of the Privacy Act.

Schedule 2 of the bill extends the existing definitions of 'health information' and 'sensitive information' in the act to include genetic information about an individual. This will mean that genetic information will now explicitly attract private protection under the national privacy principles, and thereby help to protect an individual's genetic identity and information.

The third set of measures in this bill prescribes circumstances where health professionals are permitted to disclose genetic information about a patient to their genetic relative under the Privacy Act. This part of the bill provides clarity to health professionals when they are faced with the potentially awkward situation of possessing information about a patient that would threaten the life or health of their genetic relative, but the patient is reluctant to convey that information to their genetic relative. It is a thorny issue, but one that can have life and death consequences. Therefore, the potential folly of stopping doctors from using information when it might be vital for the wellbeing of a patient's genetic relative is apparent.

Schedule 2 of the bill deals with this difficult but important issue in the following ways. Firstly, the bill inserts a new definition of 'genetic relative' to include any other individual who is related by blood to the first individual, including a sibling, parent or descendant. According to the explanatory memorandum, this definition would also cover grandparents of the

individual. The bill then inserts a new section 95AA to the Privacy Act, which provides for the approval of guidelines issued by the National Health and Medical Research Council relating to the use and disclosure of genetic information to a genetic relative of an individual for the purposes of lessening or preventing a serious threat to life, health or safety of that genetic relative. New subsection 95AA(3) provides for an application to the AAT for review of the Privacy Commissioner's refusal to approve those guidelines.

Schedule 2, item 5 inserts a new paragraph (ea) to the national privacy principle 2.1 of schedule 3 of the Privacy Act. Under new paragraph (ea) a health professional may be permitted—but is not obliged, I might note—to disclose genetic information about a patient to their genetic relative in circumstances where it is reasonably believed that the use or disclosure of the genetic information is necessary to prevent a serious threat to life, health or safety of the genetic relative. The organisation must reasonably believe that the use or disclosure of genetic information is necessary to prevent a serious threat to the life, health or safety of the genetic relative, whether or not the threat is imminent. Such disclosure must be in accordance with the guidelines approved by the commissioner under new section 95AA.

Clearly, reading through the technical way these provisions need to interact with each other, anybody in this House—and I think in the general public—would understand the difficult balance a health professional might face in making a decision whether to disclose such information. But what I think is important about this piece of legislation is that it enables doctors to use their proper medical judgement to make that assessment. It gives a set of circumstances where it is appropriate and ensures that information cannot be passed on in irresponsible or inappropriate ways. It is clearly a difficult circumstance which I am sure many of us hope we are never in but, increasingly, with this information and genetic developments that are occurring in our scientific and medical communities, these are questions we will have to face in the future.

So, whilst we welcome the amendments, Labor considers that the measures are long overdue. The changes address longstanding concerns surrounding privacy protection for genetic information and implement only a small number of the recommendations of the joint inquiry of the Australian Law Reform Commission and the Australian Health Ethics Committee into the protection of human genetic information, which reported way back in May 2003. Mandated by former Minister Williams and Minister Wooldridge to 'examine the complex and significant privacy, discrimination and ethical issues posed by advances in gene technology', the inquiry was asked to consider whether laws were needed not only to protect the privacy of genetic samples and information but also to provide protection from inappropriate discriminatory use of genetic samples and information and to balance the relevant ethical considerations related to the collection and use of such samples and information in Australia.

Unfortunately these other aspects have not been taken up or acted upon as yet by the government. The two-year inquiry, according to the Law Reform Commission's president, David Weisbrot, represented 'the most comprehensive consideration of the ethical, legal and social implications of the 'new genetics' ever undertaken'. The resulting report, which was called *Essentially yours: the protection of human genetic information in Australia*, has gained widespread overseas attention and praise. The report made some 144 recommendations dealing with the ethical, legal and social implications of human genetic material. I am pleased the Attorney is here, because I do not for a moment think that 144 recommendations can be acted on

instantaneously. But clearly it is important for us to ensure that we take up the full range of these issues—not just the handling of information but dealing particularly with some of the discriminatory issues that might flow from the use of this sort of information. A number of other very important issues were raised in the Law Reform Commission report, and we urge the government to take action on them.

As I say, some of these recommendations have been acted on. For example, the establishment of a new Human Genetics Advisory Committee, a standing advisory body on human genetics to provide advice to Australian governments about current and emerging issues in human genetics, was announced last month. Other recommendations are under consideration by a variety of federal and state agencies. But we do note—and I repeat my concern—that recommendations to address a range of associated issues, such as consensual genetic testing and discrimination arising from genetic information, are important aspects of this debate that require legislative attention but appear to have so far been ignored. Labor looks forward to the government tackling these important issues promptly.

In summary, Labor supports the bills that are before the House and welcomes the government's effort to tidy up the legislation in these two important areas. Australians need to be able to be confident that their personal information is protected and not liable to unscrupulous abuse. At the same time, it brings me back to where I started in this speech: the community has a wider interest in it being permitted in certain circumstances to use people's personal information. We need to take care in this House to get that balance right. Labor believes the government has been able to do that in this piece of legislation.

**Mr RUDDOCK** (Berowra—Attorney-General) (10.15 am)—in reply—I thank the member for Gellibrand for her contribution in the debate on the Privacy Legislation Amendment Bill 2006. I welcome the support that she has given to the measures proposed. I thank her for that, and I am sorry that she could not miss the opportunity for a cheap political shot, but I suppose I should expect that.

**Ms Hall**—It is so easy where you are concerned.

**Mr RUDDOCK**—It may be so easy to do; I am not sure that it is justified. As I understand it, the substance of the issue—rather than the cheap point—related to the doctor shopping hotline being disbanded. The reason it was disbanded was that there were privacy concerns. The doctor shopping service was implemented before the private sector privacy provisions which we introduced. To ensure that it was possible, the particular route that we took was to establish the Prescription Shopping Information Service to overcome the privacy issues that were there. I think that is the only point that really needs to be made.

The two principal issues about which the bill implements are not the subject of any adverse comment. Amending the National Health Act and the Privacy Act to ensure that practitioners making use of the Prescription Shopping Information Service can do so without breaching the Privacy Act is the important measure. To date, the Privacy Commissioner has issued temporary determinations to ensure that the service can operate. You cannot do that interminably, so the legislative measures are important to address that question. The information collected from the service can be crucial for a medical practitioner assessing the treatment needs of a patient, so it is appropriate that this issue be dealt with more permanently, particularly when it relates to assessing whether or not people are obtaining multiple prescriptions which can do them harm.

The second aspect that the bill deals with is in relation to genetic information being brought within the protective framework of the Privacy Act as recommended by the Australian Law Reform Commission and the Australian Health Ethics Committee in their report *Essentially yours: the protection of human genetic information in Australia*. The bill will permit the disclosure of genetic information to a genetic relative where there is a serious threat to the relative's life, health or safety. Guidelines will be developed by the National Health and Medical Research Council and will be approved by the Privacy Commissioner.

I say in relation to the Australian Law Reform Commission generally and in relation to the work that has been undertaken with the Australian Health Ethics Committee that I value their work. I have a great deal of personal confidence in the law reform commissioner. He undertakes the job professionally and well. I have the highest respect for their reports. Like all reports, they do require some consideration from a policy point of view. There are matters on which they helpfully advise us, but in the end we have to take policy decisions.

Many of the outstanding matters in this report, as I understand it—and this was referred to by the member for Gellibrand—are not within the purview of the Commonwealth alone; they involve the states and territories. Those are issues about which I can remind them of the need for them to press on and deal with them, but I cannot direct them. Others, which I am told are being pursued—

**Ms Roxon**—You don't hold back so much on other issues for the states.

**Mr RUDDOCK**—I encourage them, but I cannot tell them—unless you are suggesting I find some international treaty or something which I can roll over them to give them a sense of urgency. The fact is that there are other matters of a regulatory and administrative character that will be followed up by us. I can assure the honourable member that for my own part I will ask for an up-to-date report on what matters are outstanding and whether there are any impediments that I can address, and I will deal with them. Other than that, I commend the bill to the committee and thank the honourable member for Gellibrand for the support that was offered for the measure.

Question agreed to.

Bill read a second time.

Ordered that the bill be reported to the House without amendment.

## MINISTERIAL STATEMENTS

### Afghanistan

Debate resumed from 14 August, on motion by **Mr Abbott**:

That the House take note of the following document:

*Australian Defence Force commitment to Afghanistan—Ministerial Statement, 9 August 2006.*

**Mr LAURIE FERGUSON** (Reid) (10.21 am)—I join with other opposition members in commending the government's decision to enhance our forces in Afghanistan. The announcement was made by the Prime Minister last Wednesday. I also welcome the indication that there will be a review in six months time of the adequacy. Tom Hyland, in an article on 14 August cited by other members, noted:

The public is left ignorant of what is being done in its name, while soldiers and their families go without recognition.

I also would amplify the comments made by many opposition speakers that we are in this sorry situation today because of the government's previous decision on Iraq and the way in which the eye was taken off the ball in Afghanistan. One can note many comments about the current picture there. In the *Observer* of 9 July the leader article commented:

Victory, however, will not be easy and will require much clever diplomacy, military will, deft handling of Afghan politics and, above all, a far greater commitment than the West has so far shown.

It also noted:

... one recent study found that international aid to Afghanistan equals £30 per person, as compared with £400 in Bosnia and £130 in Iraq.

It also went on to comment:

... the West's political leaders must be explicit about what is at stake and what is needed. They must win popular support at home. This will be particularly vital if the effort needs to be sustained, maybe over decades.

Certainly the degree of secrecy associated with Australia's participation is not the kind of attitude that is going to win that national support. Another article in the *Guardian* of 5 July by Simon Jenkins summarised the situation:

By last December it was abundantly clear that Helmand—  
that is a province, of course—

and the eastern border provinces were no longer friendly territory. Aid workers were running back to Kabul. Information indicated that insurgents of every tribe and origin were reforming in Pakistan ...

We have a coalition of Taliban, warlords, drug dealers and various dissident elements raging a campaign at the moment which is characterised by large-scale destruction of schools, murder of teachers and anonymous night-time messages left on teachers' doors indicating that they will be killed if they persist in running schools, particularly for girls. The situation was summarised by Declan Walsh on 28 June. He said, when speaking of President Karzai, who in 2004 garnered 54 per cent of the vote, that it:

... looks increasingly isolated—

that is, the regime—

inside his fortified Kabul palace.

Of course, it is not the first time that this government has unfortunately left a situation where dereliction of duty has led to very severe consequences for individuals. The fate that is besetting large numbers of Afghans at the moment was perhaps earlier indicated in Timor. In the last week or so we have had a statement by a previously prominent Indonesian foreign affairs official and a current spokesman for the President about the way in which Australia played a major role in persuading the Indonesians to move towards a vote for the Timorese people. However, I note an article in the latest copy of *Dissent* magazine by Adam Hughes Henry where he talked about:

The ethical condemnation of the government of East Timor, the newest and one of the poorest nations on earth, by Howard should be cause for serious reflection and analysis. The Defence Signals Directorate (DSD) was aware prior to the 1999 ballot that the Pro-Integrationist Militias were nothing more than proxies of the TNI (Indonesian Army). The Howard government also refused to accept US assessments that UN peace keepers would be required to protect the 1999 UN-operated independence ballot from potential chaos. Having consistently argued that the Indonesian military were best equipped to handle

security Howard and Downer watched the post-referendum rampage by TNI-supported militias raze Dili. Tens of thousands of Timorese were forced at gun point into West Timor refugee camps.

So that sorry situation, which saw many Timorese needlessly die because of the great trust by Australia put in Indonesian authorities as protectors rather than the murderers, has been repeated. The reason I mention that is that I recall day after day in this parliament, when after too many years the opposition finally reversed its position on Timor, the ridicule that was heaped upon the foreign affairs spokesman, Laurie Brereton, for saying that we could not trust the Indonesians in the current conduct of that plebiscite.

The reason I raise this is that once again in this situation we had Labor's foreign affairs spokesman and the member for Bruce, after their return to Australia in April 2004, very clearly cautioning their view of the collapse of the situation in Afghanistan. Once again, they were ridiculed and told they were worrying too much, things were under control and Australia had it well and truly covered. But we see of course how the decision to wind back our engagement there and to emphasise Iraq has led to the deterioration that we now witness in Afghanistan. Quite frankly, as the Leader of the Opposition has said, the situation in these two countries is very different. In Afghanistan, historically, because of a very unprincipled and, one might even say, moronic intervention by the Soviets, we have a situation whereby the US had recourse to Islamic fundamentalists to overthrow that government—a situation where my enemy's enemy is my friend. Today we live with this problem and we see the way in which the Afghan people are suffering.

As I say, this has been a serious misjudgement and dereliction by the government. Also, we have a situation in Afghanistan where there has historically been clear complicity by the Pakistani security forces in setting up these extremist Islamic forces. One does not totally dismiss the possibility that there is still a degree of collaboration and a degree of reticence about pursuing these forces. We have a situation where the Taliban—having, for all their many faults, suppressed heroin during their period in government for religious reasons—are now increasingly seeing heroin as a way of financing their insurrection.

The opposition does not see a parallel with Iraq in this. It does not see it as a uniform, one-dimensional war on terrorism. The situation is very different. We have a situation here where clearly external forces were utilised by the United States and Pakistan in the short term to overthrow an unpopular central government under Soviet tutelage and this instigation has, as for many times, been foreign, non-Afghan and has included people from the Middle East, Pakistan and South-East Asia. Of course, the concern for us is that there are many instances on the record where training is being undertaken to induce terrorism. It was only after September 11 that the West decided that the regime in Afghanistan might not be the greatest on the block and that they might be an international danger. Up until then, they had been coddled and supported because they were seen as a lesser evil than that central government.

I want to divert for one moment from talking about the broader Afghan issue to say that this issue does particularly affect my constituents. I was interested to note a recent response to a question on notice I had placed about the settlement of refugee humanitarians in New South Wales. It is interesting to note that the three municipalities in my federal electorate—Parramatta, Holroyd and Auburn—take 30 per cent of the New South Wales refugee humanitarians. I can assure you that on a daily basis I have Hazaras coming in who raise their continual insecurity. There might be a few ministers in the current Afghan government who come

from the long suppressed Hazara minority, but one cannot be totally sure that, because of the presence of those ministers, the Hazaran minority is protected from a traditional pattern of denigration, intimidation and discrimination.

Equally, we have the situation where a large number of people were adherents to the previous Najibullah pro-Soviet government. They have tended to be Farsi-speaking Western oriented people from the intelligentsia, educated at the Kabul polytechnic or at the university, who have no future back in Afghanistan regardless of the nice words that can be said about democratic processes in that country. You even have cases where a small number of claimants of Pashtun ancestry who are in a different environment today where the Afghans government is heavily influenced by non-Pashtuns would claim that they are discriminated against—and these are legitimate, although you and I might disagree with these people.

So what happens in Afghanistan is not just a philosophical question for me and my constituents. We have a large Afghan population. They have local institutions. They are involved in local mosques. I want to put on the record my appreciation for a number of those people who work for the community: Sayed Zobair, whose wife and children tragically fell into the blowhole at Kiama some years ago and whose daughter suicided with a friend a year later in memory of her mother, and also Mr Hamid Hassib from the Shia community. I am pleased to have been involved with them in helping to establish their religious centre near my office. What is happening in Afghanistan—this failure of the government to keep themselves focused on Afghanistan, their diversion, now seen as a total disaster, into Iraq, which has only led to an outbreak of internecine and interreligious conflict—directly affects our electorate.

The other point I would make about these figures is that we often have lectures from people in inner city municipalities of Sydney, people who have very hard views that we should not combat fraud in immigration, we should not worry about it and that it is irrelevant. It is very interesting to see that these people are often in electorates that do not seem too keen to take refugee humanitarians. As I said, Holroyd, Parramatta and Auburn took in over 1,000 refugee humanitarians in the last year. Some of these other figures are also quite interesting. The municipality of Marrickville—31—are improving. I have to concede that that figure of 31 is an improvement. In the municipality of Leichhardt, two refugee humanitarians were settled there last year. If I go through this list, Pittwater took one and Burwood 10—a pattern of very intense support for refugee humanitarians. They love them deeply, but they do not seem too keen to settle them. It takes a lot more than putting up banners about supporting refugees and refugee week et cetera. It is a matter of having a community which knows there are real settlement issues and social issues but which is prepared for its migrant resource centres and its municipalities to go out and assist these people in their settlement.

As they say at school, they are improving but I would like to see more effort from these inner city municipalities to make sure that we do not hide behind issues such as supposed support of foreshore and supposed support of open space to deny greater densities and greater public housing. I have seen a lot of these municipalities. They seem to have a very strong penchant to oppose public housing under these guises. They can really help refugee humanitarians in this country if they get those views out of the way and make sure that they are able to settle a lot more people.

I associate myself with the comments of a variety of earlier speakers who welcome this decision to enhance our military presence in Afghanistan. It is sad that, unfortunately, the situa-

tion has deteriorated, particularly in the south, in a country where the integrity of many warlords has always been very doubtful—and that even stretches to the family of the President, quite frankly. There have been a lot of reports about his brother and his alleged involvement in the drug trade. The military situation here has severely deteriorated. Outside of Kabul, the government's writ does not seem to often have much authority. One would hope that this review in six months focuses on the need to protect the Afghan people, the need to protect the families of my constituents and the need to make sure that we successfully resist moves by the Taliban and al-Qaeda and their associates to reimpose a theocratic state suppressing women and basically suppressing human rights.

**Mr HATTON** (Blaxland) (10.35 am)—I am happy to participate in this debate on Afghanistan and happy to speak in concert with all those who are in support of our troops, as was the member for Reid and other members on the Labor side and also those on the government side. Deploying troops anywhere means that their lives can be put at hazard. Deploying troops into a known war zone which is now more difficult and more dangerous than it was previously is an even greater burden. The decision cannot be taken lightly. I am sure the preparation of Australian troops to go to that theatre will be deeper, stronger and more purposeful than it was to deploy troops to Iraq because, whereas conditions in Al Muthanna province have been difficult and dangerous, the conditions that exist in Afghanistan, where our troops will be further deployed, are much more dangerous.

On this day, all Australians, particularly those who are directly affected by it, will be thinking of what this emblem means—the remembrance of the Battle of Long Tan when 18 Australians died. The 108 men of D company, 6RAR, fought a pitched battle in blinding rain against a vastly greater opposition. For several hours they held out. They were reinforced. They used artillery, and they had ammo supplied, brought in to them from helicopters. But 18 young Australians lost their lives in a war that the government sent them to—a war that was not of their own choosing. Because they were part of our military forces, they had to put their lives at hazard and they lost them.

On this particular day, it is important to remember that, in sending troops to Afghanistan, we have sent troops to many different theatres. Some people have already been injured and some people have died, and maybe more people will die over time. It is with a heavy heart that I say this, because I know just how difficult it is and how brave the people in our defence forces are. We need to make sure, particularly with what has been highlighted recently, that they have the best available equipment—the best equipment that is necessary and useful for that country—and that it is as up to date as possible. I have seen a fair amount of that. From the recent comments that have been made, we need to be absolutely sure that its quality is guaranteed and that the Defence Materiel Organisation ensures that.

It is a difficult day in many ways. When the Battle of Long Tan occurred I was all of about 16 years of age. In the following two years, a lot of my waking thoughts were about whether I would be in Vietnam and whether I would be in that situation, because we had a lottery as to whether people would be in or out. My birthday was not picked, but I had thought through those issues strongly. I did not go, but I worked, studied and played footy with people who did go, who were drafted and who were put in that situation. For people who are still alive today, and remembering those who lost their lives, there has to be a very good reason for people to



go and a very good reason for us to say, 'While we stay, others are in a forward position doing something significant and defending something that is good and strong.'

The Labor Party believes—and I believe this very strongly—that the commitment to Afghanistan is absolutely necessary. I also believe we should not have left when we did and left one single Australian soldier there. I think it was entirely a mistake that Australian, US and British forces formed the coalition of the willing to go into Iraq when they did. They could have finished off the problem with Saddam Hussein in Iraq 12 years before. It did not happen. One of the reasons it did not happen is that Iraq can simply dissolve into the three constituent elements that made it up in 1924. This is a country of convenience. It is dissolving, in front of our very eyes, into the Sunni and Shiite elements, and the Kurdish elements in the north. If civil war in Iraq breaks out, as it looks as if it will, then the Shiites in Iran will link up with the bottom part of Iraq and then press on top of Jordan and what will then be a very unstable regime in Syria. And the current difficulties in southern Lebanon, with Israel's invasion and their attack on Hezbollah, will reach higher orders of magnitude as a result of that.

Those problems are directly linked to the situation in Afghanistan, and part of the background to it was quite well laid out by the member for Flinders in this debate. He took a broad strategic view and looked at the struggle in Afghanistan to oust the Taliban and the broad struggle against Osama bin Laden and his al-Qaeda—or 'the base', as it is known—and he looked at its background ideology and the drivers of the situation we face. He was quite correct. Most of the groups who are involved here take a very fundamentalist approach to Islam. They are part of what is known as Wahharbism, which is a sect that developed in Saudi Arabia a couple of hundred years ago—very hard line, very exclusionist. We saw its most frightening modern expression in the rule of the Taliban in Afghanistan. It is effectively a medieval force which seeks to take people back to an enclosed world and an Islam that is not outward or open and willing to deal with other faiths but an Islam that completely turns in on itself.

The member for Flinders spoke of the desire of the people leading these revolutionary groups. Bin Laden, of course, is a very wealthy upper middle class person, like most of the big revolutionaries in the past. He is not someone from the very lower working class but somebody who has been enormously privileged. He has been willing to be used by the West previously and the West was willing to use him in the period during the Cold War when we had a simpler world, when bin Laden and his forces were used as mujahaddin against the Soviet forces that were in Afghanistan.

The aim of these fundamentalists is, quite simply, to set up what we call a caliphate. If you look at the way bin Laden operated you see what they started to do. Over a period of more than 10 years, his attacks on Oman and northern Africa, and within Saudi Arabia after the first Gulf War, were based on the presumption that Saudi Arabia had been soiled by the presence of American troops and that all American troops had to be gotten out. But the direct targets for his campaign were governments in the Middle East which were Islamic but which did not have a hard enough form of Wahharbism. They were not of the brand that was demanded by him, they were not fundamentalist enough, they did not hate the West enough and they did not want to create a worldwide Islamic state in the Middle East. In the Asian version of that, we faced, with Jemaah Islamiah, an attempt to draw together all people who follow Islam under a caliphate within East Asia.

They have failed so far, but there were a number of attempts to set up a base—and al-Qaeda means ‘the base’—in an Islamic country in the Middle East. They found that too hard. They could not win people over and they changed tack. During the period when they were undertaking that, of course, there were the attacks on the USS *Cole* and on the US embassy in Kenya. There was a series of other attempts, such as the attempt to knock out the World Trade Center building in 1994, where they tried to demolish it from the car park underneath. But, increasingly, because they failed elsewhere, they took on the softer targets—civilians in the West. We know from the deaths of those thousands of people in the World Trade Center, in the Pentagon and in the planes that were hijacked—and there are those people who, luckily, will not die because recently the British were able to apprehend two dozen or so people who were planning attacks to occur around the fifth anniversary of the attacks in the US—that we are dealing with a very serious business. It is fundamental and it is the real reason why our troops are in Afghanistan.

I think it is very unfortunate that we went into Iraq, because it was the wrong war at the wrong time. Having got rid of the Taliban—an extraordinarily difficult thing to do—we were in a position where we could have run down bin Laden and not allowed him to escape. As the Leader of the Opposition quite rightly argued in his response to the Prime Minister’s statement the other day, trying a flash new way of being able to fight by proxy by paying bribes to local groups of warlords seemed like a good idea at the time but it was as dumb as anything because they just took higher bribes from bin Laden. So they took from both and it appears bin Laden was able to escape into southern Pakistan, which is still uncontrolled and a forbidden country to Western forces and even to Pakistani intelligence and military forces.

We have a real problem that, in Afghanistan and that part of Pakistan, the core of the assault on the West has not been run to ground and has not been, as George Bush referred to it, ‘brought to justice’. The Americans made a fundamentally incorrect decision, so our troops now going back to Afghanistan go back to an Afghanistan that is a lot more dangerous than the one that existed after the Taliban had been cleaned up in the first instance. Hamid Karzai, as Prime Minister of Afghanistan, has a very difficult job to try to bring back together the Pashtun people in the land of the Afghans as a coherent reality. I think it is highly possible, despite the fact that there is a layered series of warlords throughout the country. It is possible to bring these people back as an integrated entity and the country can be secured as a modern democracy, but it will be enormously difficult to do.

I agreed with almost everything the member for Reid said. It was well advertised that, during the period they controlled the country, the Taliban, apart from destroying one of the greatest Buddhist shrines the world has ever seen in an enormously destructive act, suggested that they had aborted the heroin trade operating out of Afghanistan by stopping people growing opium and so on. It is my information that that is not the case—that they continued to allow poppies to be grown and raw opium to be shipped out of Afghanistan, and they utilised that money to consolidate their regime. But it was part of their propaganda campaign to say that they were not the kind of group that people thought they were and that they really had a concern for peoples’ health and welfare and so on.

This is a tough and difficult area for our troops to go back into because, in the two years or so that troops were not there on the ground—only a small number were there—the assistance needed by the government of Afghanistan to rebuild itself was very great, and terrific efforts

have been under way. The Taliban and al-Qaeda forces have re-established themselves and put themselves in a position to endanger the continued existence of the new government of Afghanistan. That would not have been the case if the field had not been deserted and Iraq had not been chosen as the place for the battle.

We are going to have a long, hard and bitter war in Afghanistan as a result of those decisions. Here again the member for Flinders is correct: this is not a short-term conflict; this is one where, if you go back and look at English history, you will find we are in for a 30-year or a 100-year war, and not many people will favour it. In his book the *Clash of Civilisations*, Huntington, an extremely good political scientist from the United States, is I think pretty much on the money in terms of the depth and strength of the battle we face. Any great ideological war that is founded on a religious impulse will be extraordinarily difficult to deal with, because most of the war is in people's heads. It is not in terms of rationality but in terms of people's emotional reaction to things. So we need to fight this on many levels. I can only give my strongest support to our troops who are going into a very difficult area. Good luck to them.

**Ms KING** (Ballarat) (10.50 am)—I welcome the opportunity to speak on the Prime Minister's commitment of the Australian Defence Force to Afghanistan. This time the Prime Minister has correctly made a ministerial statement on the deployment of troops, unlike the disgraceful circumstance in which the parliament was informed of the decision to redeploy our troops in Iraq to Talil via a dorothy dixer in question time.

Unlike the members on the other side of this House, we treat the deployment of our troops, particularly to areas such as Afghanistan, as a very serious issue. The Liberals like to wrap themselves in military glory at any opportunity but, when it comes to this deployment, where are they? Very few members of the Liberal Party or the coalition have spoken on this deployment, and this deployment is one of the most serious deployments we have seen, certainly in the last two to three years. The most serious decision any government can take is to commit Australian Defence Force personnel to areas of conflict where there will be a significant chance that they will be killed or injured. Make no doubt: Afghanistan at the moment is extremely dangerous, and our troops are going into an area where they are highly likely to be seriously injured or killed.

I do not think the public realise just how dangerous Afghanistan is; we have become somewhat numbed to troop deployment announcements. The way in which troop deployments have been depicted in the media means that we often think we are sending them into peacekeeping areas and, because it sounds as though it is a peacekeeping operation, it seems as though the troops are going into a peaceful situation and therefore will be safe. Because we have not experienced the sorts of casualties—we have certainly experienced some injuries and I will talk about those a bit later—that other nations have experienced, I also think the Australian public are somewhat numbed by the announcements that are made and think that somehow our troops are going into areas that are safe.

But make no mistake: Afghanistan is extremely dangerous. All the more so because, apart from our initial commitment of troops, we and many larger nations took our eye off the ball in Afghanistan, and we left the Taliban, al-Qaeda and the local warlords to regain significant power. Afghanistan has deteriorated significantly, and the area our troops are being sent to is extremely dangerous. In certain areas, the Taliban and their allies in al-Qaeda are very much

at large. News outlets report of the Taliban controlling the roads, acting as the police force and judicial authority and openly running offices to recruit fighters to their ranks. A senior British military commander in Afghanistan, Lieutenant General David Richards, has described the situation in the country as close to anarchy, with feuding foreign agencies and the unethical private security companies compounding problems caused by local corruption. Last month the *Washington Post* reported:

Taliban violence has intensified this year to its most severe since the hard-line Islamists were ousted nearly five years ago after refusing to hand over Osama bin Laden.

The reality is that insurgents are raging across Afghanistan, particularly in the south. It is a hotbed of terrorism. Terrorists are using Afghanistan to train and refine their skills and, in sending our troops to Afghanistan, we are placing them at significant risk—a risk that has been made even greater by the Howard government's withdrawal of troops in 2002. Labor supported our original deployment to Afghanistan. We entered that war under the ANZUS alliance believing that, if we were to defeat terrorism, Afghanistan had to be at the heart of our operations. There was broad international support for the war in Afghanistan and the political will to deal with terrorism after the terrible aftermath of September 11. The government's focus moved off Afghanistan and they withdrew our troops way too early in 2002.

Labor supported that decision, on the information the government gave us and in good faith that the security situation in Afghanistan was under control. The Prime Minister did not make public at the time the fact that our troops were being withdrawn. They were being withdrawn in the face of private diplomatic pleas that we not do so. John Howard withdrew troops, despite knowing that the job was far from done and in the face of those pleas, and he left Afghanistan to fester in the mess that it is in today.

Following the visit of our shadow minister and the member for Bruce in 2004, Labor took the difficult decision to call for Australian troops to get back into Afghanistan as soon as possible. We were ridiculed for that. The Prime Minister, in withdrawing troops from Afghanistan, left the job only half done. History, of course, shows that part of the reason for the early withdrawal of troops from Afghanistan was the government's decision to commit troops to Iraq—that is, to a war, in case anyone has been beguiled by the government's spin, we entered not to depose the evil dictator Saddam Hussein, who had been benefiting from the government's 'wheat for weapons' deal, but to ostensibly rid the world of his stockpiles of weapons of mass destruction. We now know those stockpiles did not exist. The government has now rewritten history on this and is now somehow claiming to all and sundry that it was always about bringing democracy and freedom to Iraq.

Iraq today is an absolute basket case. It has a form of democracy, yes, but the level of civilian and non-civilian casualties is enormous. Having gone into Iraq and literally destroyed all of its public and social infrastructure and institutions, the coalition of the willing is now significantly diminished and facing decades of being bogged down in what even American commentators are saying is a civil war. Insurgency is now rife and it has become, not having been so before, a hot spot for terrorism activity in the Middle East. Despite the fantastic work and the professionalism of the ADF across the areas of operation in Iraq and its surrounds, it is no longer clear to me what the overall objective is for Australia in Iraq or how it—out of all of our national security interests—is our top priority and most costly commitment.

Having recently been part of the Australian Defence Force's parliamentary program, I was part of the first group of parliamentarians to be sent on an active deployment in the Middle East area of operations. I have to tell you that many of our troops are pretty sceptical about the government's commitment in Iraq. It is my participation in the Australian Defence Force parliamentary program that has partly prompted me to contribute to this debate today. Having not come from a defence family and not having a policy background in defence matters, my exposure to defence issues has largely been limited to questioning civilian staff via the Joint Committee of Public Accounts and Audit about the various audit reports into Defence disasters in procurement that we review. Having the opportunity to spend time with the Australian defence forces on deployment as part of this program gave me a much better appreciation of the professionalism, the extraordinary leadership skills and the incredible dedication of Australian troops. I was the only ALP member and the only woman on that trip, and we were stationed both with the P3C Orions and on HMAS *Ballarat* in the Persian Gulf.

One great thing about the program we went on is that we did not do what politicians often do, and we see it in the media, which is fly in and fly out to our troops on deployment. We spent significant amounts of time having meals with our troops, working alongside them, playing sport with them in early-morning training sessions and really having the opportunity, without senior personnel around, to talk to our troops on the ground. In particular, I took the opportunity to talk to many of the women who are on deployment over in the Middle East about their experiences. There are two issues I have serious concerns about with respect to the way our troops on deployment are being provided for. The first is in the area of health services and mental health services. I seriously believe that particularly the mental health services provided for Australian Defence Force personnel whilst they are on deployment, post deployment and post leaving the Australian Defence Force are seriously underdone. I was told about this experience by the medical personnel in the Persian Gulf. There was only one doctor for all of the ships the coalition had within the Persian Gulf at the time we were there.

There had been serious psychiatric disorders displayed by some of our troops during that six-month deployment and there was inadequate provision for medical staff to be able to deal with those mental health conditions. That was raised directly with us by the medical people on the HMAS *Ballarat*. We are seriously underdone in relation to the number of psychologists and psychiatrists, given the nature of the work that those psychiatrists and psychologists are doing for our troops on deployment—and that is just in the area of mental health.

In terms of general health, when we were on the HMAS *Ballarat* there was one doctor. Again, the doctor on the HMAS *Ballarat* provided medical services for all of the troops and all of the other people within that gulf—an enormous number. There were 188 on HMAS *Ballarat* itself, and there were a number of other coalition ships. When HMAS *Ballarat* left to go to port in Dubai there were no medical personnel within the Persian Gulf at all. The sorts of conditions that they are seeing range from minor injuries that just happen with the nature of the ship, with people falling and cutting and bruising themselves, to breaking arms and legs—often those sorts of injuries occur—through to serious heart conditions, very serious heat-stroke and right the way through to the very serious psychiatric conditions that people were exhibiting while on deployment as well.

I am seriously concerned and at every opportunity I have will be raising the issue of the way in which the Australian Defence Force personnel have access to mental health services

while on deployment, when they experience a mental health condition and also post their departure from the Australian defence forces. The reason I feel so concerned about this issue is that I, like many people in this place, work with an enormous number of Vietnam veterans. I have some very close friends—I would like to call them my friends—who are Vietnam veterans, and I see the pain and the sorts of conditions that they are experiencing because they were not treated properly for mental health issues on deployment and certainly post deployment and I see what those experiences have meant that they have had to face with their families.

The second issue that was raised with me whilst I was on the Orion P3C base in the Middle East area of operations was one of equipment. I have raised this previously with our shadow minister directly. We arrived on the shooting range with the ground force protection personnel to learn how to fire several weapons, and immediately on arriving there those personnel threw down the webbing and they said: 'We want to tell you as politicians that this webbing is absolutely useless for the task that we have to do. We've all gone out and purchased our own webbing at \$300 a pop. This webbing is dangerous. Our weapons tangle in it. It does not have enough capacity for us to carry bullets, the water that we need to carry and our weapons themselves, and we are at serious risk when we are wearing this webbing. We do not want to have this webbing. We actually believe it's dangerous and we've gone out and bought our own at \$300 a pop.'

I then asked them if they had lodged complaints on the RODUM system, which is a system that Defence Force personnel have to complain about their equipment, and frankly they just laughed. They said: 'RODUM is a joke. We have lodged complaints on it, but the complaints go nowhere. The department doesn't treat them seriously, and it is just not a system that allows us to have any confidence at all that, here on the ground, on deployment, when we say something is not correct, that we need another piece of equipment, we can get a fast response and get those issues fixed.'

The lack of mental health services provided to troops on deployment and the webbing are just two issues that were raised directly with us over a 10-day period in the Middle East area of operations. I have no doubt that on both of those issues I am going to hear some pretty terrific departmental spin about why those issues are really not a problem. In fact, I have already heard some. When we arrived back in Australia after the deployment, we hit Darwin and we were all a bit jet-lagged. The department had already provided us with some dot points as to why the webbing really was not an issue at all. One of the more offensive things I heard was one of the media people telling us: 'It's really like choosing to have a Gucci handbag or not a Gucci handbag. That's why our troops are deciding to go and buy their own webbing.'

It is a very serious issue and I think with this deployment of our troops to Afghanistan we need to look very seriously at the issues that are raised directly by troops on deployment and not listen to the media spin. To this end, I ask the minister to look seriously into both of the issues that I raised, but I also put him on notice that there are a number of us on this side of the House who are extremely concerned about what is happening to our troops on deployment and post deployment and that we will be keeping a very close eye on this issue.

As I said at the start, for the men and women of the ADF deployed to Afghanistan, this is a very dangerous deployment. There is a high likelihood of Australian casualties before the end of the year. In the current deployment of troops in Afghanistan there have already been sev-

eral wounded, with very little information available publicly as to the nature of their injuries and the circumstances in which they have occurred. Labor know how dangerous this deployment is. We also know how important the task is that our troops are being sent in to do. Afghanistan is at the centre of the terrorist operations and it is in our national security interests that we participate with other nations and do all we can. I wish our troops and their families well at what is a difficult time. The Labor Party have taken the decision to support the deployment in full consideration of the nature of your task. We know what we are asking you and your families to do and we wish you a safe deployment and we pray for your return.

**Mr WILKIE** (Swan) (11.05 am)—I rise to echo the comments of my colleagues, led by the Leader of the Opposition last Wednesday in the House. Before turning to the specific issue of Afghanistan, I think it is pertinent to the matter at hand to reflect on this week's commemoration of the Battle of Long Tan 40 years ago. Last Friday, members of the RSL Manning sub-branch in my electorate met for lunch, a chat and to remember past mates ahead of this week's commemoration. As Manning sub-branch President Alistair MacPherson said, the Long Tan anniversary is particularly important to remember because of the way that Australian soldiers returning from Vietnam were treated. 'When the soldiers came back to Australia,' Mr MacPherson said, 'they were spat on and disgraced. It's taken a long time for the Vietnam chaps to get over that. They were only young boys—hardly hardened soldiers.' I again commend the efforts of RSL branches in my electorate. On their behalf I urge all of my constituents to spend a moment tomorrow to reflect on the Battle of Long Tan, to reflect on all those who served in the Vietnam War and, especially, those who never returned home.

I now turn to Afghanistan. I would like to begin by adding my concerns to those raised by others about the injuries sustained by some of our troops over the last few days. I join them in offering my wishes for a speedy recovery. The fact that these injuries were sustained highlights the fact that the soldiers we already have deployed in Afghanistan are operating in very dangerous circumstances and that the additional troops we are sending will be exposed to great danger. The reason they are in danger is the failed policy of the Australian government and the fact that it cut and ran in Afghanistan before the job was finished. Make no mistake: this government is responsible for putting the lives of these newly deployed soldiers at greater risk because of its past actions. I will expand on this shortly.

Let us turn to the current situation. As other members have explained, we currently have 240 Australian soldiers in Afghanistan made up of SAS members, commandos, an incident response regiment and logistics personnel. They are supported by two Chinook helicopters from the 5th Aviation Regiment. While the opposition have grave misgivings about the war in Iraq, we fully support this new deployment of our troops to Afghanistan—as Labor did in the past. As the Leader of the Opposition has said before, Afghanistan is terror central—the central office of al-Qaeda working with the Taliban. That is why it is vital that we get rid of terrorism root and branch and our presence in Afghanistan is part of achieving that objective.

The Howard government's yo-yo commitment to Afghanistan is indicative of its confused approach to the war on terror. It is a confused approach because, rather than concentrating the resources and capabilities of the ADF on the destruction of al-Qaeda and its acolytes in Afghanistan, the Howard government chose to commit Australian resources to the invasion of Iraq. As we know, the links between Saddam Hussein's regime and al-Qaeda were tenuous. Since the invasion, the world is none the safer.

Let us look at what happened in Afghanistan to put it into perspective. When the coalition forces invaded the country, we took over the capital city and some of the major Taliban strongholds in the region. We did not take over the whole country. So all that happened was that the Taliban knew that they were being attacked in certain provinces and they moved their resources and their people out of the areas that were being taken over by the coalition forces and into other areas where they previously had not been dominant. They then continued to establish new networks and new terrorist cells in those areas. That is because we did not do the job properly in the first place. So now, as Osama bin Laden and the forces of the Taliban and al-Qaeda regroup and embark on their plan to reactivate their terror networks, this government has been forced to admit its failure. For all the rhetoric about not cutting and running and needing to stay the course in Iraq, the Howard government has a lot of explaining to do for its lack of commitment to Afghanistan.

Members will recall that, in 2002, the Australian government, as I said, withdrew our troops from Afghanistan. At one stage, we had one soldier on the ground in Afghanistan. We knew the task had not been completed but that was our only force in that country. That is outrageous! Labor supported this move at the time in good faith, as a result of the information supplied to us by the government. But as we now know, as I have stated previously, the government has been less than honest about the security situation in Afghanistan. It has now transpired that the troop withdrawal in 2002 was undertaken in the face of private diplomatic protests from the Afghani government. In a letter dated November 2002 the Afghans pleaded with the Australian government to continue their military support because, as it said, 'terrorism is alive and well'. Unfortunately, this plea was ignored.

The government has now reversed that decision, and Labor fully support the deployment, but we know there are grave dangers. I know that members on both sides of the House feel great pride in our men and women who are serving overseas and are acutely aware of the dangers they face. Unfortunately, as was said previously, the difficult situation in Afghanistan has been exacerbated by the actions of the Australian government in withdrawing our troops back in 2002. While the political situation in the north of the country is stabilising, the southern precincts are becoming increasingly fragile. I recently met with officials from the International Crisis Group in Brussels, who have been closely monitoring the deteriorating situation in Afghanistan. The ICG made the following comments:

In a state of effective war for most of the last quarter century, Afghanistan was a Cold War battleground before a fratricidal civil war was allowed to fester for much of the 1990s. With the extremist Taliban in power it played host to al-Qaeda. However, having refused to give up al-Qaeda leaders, the regime was quickly removed in late 2001 by U.S.-led Coalition forces. Following the political roadmap laid out in Bonn, the country has since seen the ratification of a new moderate Islamic Constitution and the election of a president and National Assembly. However, the ultimate goal of a stable, sustainable state remains delicately poised. The south and eastern regions bordering Pakistan see an ongoing insurgency while a policy of cooption has seen warlords and the powerbrokers of past eras entrenched. Opium production has exploded; the country is now responsible for 87 per cent of the world's supply. While a fledgling Afghan National Army is gaining confidence, police and judicial reform remain neglected and district authorities (are) often a source, rather than succour from, fear for the local population. Exacerbated by security problems developmental progress has been painfully slow, with Afghanistan having some of the lowest social indicators in the world.

These concerns appear to be evident to everyone except the Australian government.



In January, ICG chief and former Australian foreign minister—the best foreign minister I think we have ever had—Gareth Evans, wrote in an article in the *Financial Review*:

Beyond basic security, the crucial issues are good governance and the rule of law, which must be at the core of the new compact. The current state of affairs is unacceptable for the local population and wastes donors' time and money. Why promote alternative livelihood programmes for opium farmers when their provincial governor is a known drugs trafficker? How can you promote a justice system today when those responsible for yesterday's massacres remain in positions of power? Governors with records of human rights abuses and involvement in drugs are on a merry-go-round of presidential appointments: when locals in one area object to an official, he is simply moved to the next province. In many regions police commanders with no professional training run what are, in effect, private militias. That such positions of power have been awarded to the very people who fed the civil war has been a major source of public disillusionment with the transition process.

We need to deal with those sorts of issues. It is vital that we do not lose sight of the need to look after the Afghani people. Their plight must not be ignored.

As the member for Barton made clear in his contribution to this debate, the Afghani people are being terrorised by bandits who are using extreme violence to try to intimidate and scare villagers. Our troops have already made a contribution to protecting the Afghani people. And I know that they will continue to do so under this new deployment. Australia is one of 25 countries providing assistance in Afghanistan in terms of fighting terror and reconstruction. Last week, the editorial in the *Australian* made the correct point: 'Australia has a duty and interest in setting things right in Afghanistan.' The Labor Party will continue to support our troops and their endeavours in that country. We will pray for their safety and that their cause is successful.

Debate (on motion by **Mr Cameron Thompson**) adjourned.

#### **Energy Initiatives**

Debate resumed from 14 August, on motion by **Mr Abbott**:

That the House take note of the following document:

*Energy Initiatives—Ministerial Statement, 14 August 2006.*

**Mr MARTIN FERGUSON** (Batman) (11.15 am)—I appreciate the opportunity to address the Prime Minister's ministerial statement on the issue of energy. If one goes through his lengthy speech—big on the number of words but little on potential impact on the Australian community—one will note that the Prime Minister's energy statement will effectively cost taxpayers \$1.6 billion. The problem is that it does nothing on one of the major challenges confronting Australia: our reliance on imported oil from unstable parts of the world like the Middle East. It will certainly do nothing to put downward pressure on petrol prices. So it fails two very key tests: how we do something about petrol prices and, perhaps more importantly in the medium term, how we front up to putting in place a process which allows us to become less reliant on unstable oil from the Middle East.

Before I come to the statement, let me remind members that there has been an important debate in the parliament this week on the Petroleum Retail Legislation Repeal Bill 2006, a bill that repeals the outdated sites and franchises acts and will hopefully free up competition in the petrol retail sector. The opposition believes that this bill is more likely to put downward pressure on petrol prices than anything in the Prime Minister's energy statement, yet I must report to the House that, despite the importance of this bill, only the Minister for Industry, Resources

and Tourism, Ian Macfarlane, and two other coalition members bothered to speak on it. For all the posturing of the government, both the Liberal Party and the National Party—actually the National Party could not even get one speaker—do not care. The bill included consideration of petrol stations potentially carrying ethanol. It is clearly a public statement by the National Party that they do not care about petrol prices in the bush. From the Liberal Party point of view, they do not care at all generally in Australia.

There were three speakers from the coalition government from a caucus of 87. They could not even do better than the three Independents in the House with respect to the number of speakers on the bill. This compares to the 23 who spoke on the Labor Party side out of a caucus of 60. I think this shows who is prepared to put the time into this House and debate the issues that are of major concern to the Australian community. I suppose they were all in their rooms getting ready to rot the increase in publications entitlements of \$125,000 or \$150,000. When I was elected in 1996, the average expenditure by members of parliament was about \$33,000.

**Mr Cameron Thompson**—Mr Deputy Speaker, I rise on a point of order. I would ask the member to return to the statement. It has got nothing to do with entitlements. We are talking about energy initiatives, on which I was a proud contributor.

**The DEPUTY SPEAKER (Mr Haase)**—I understand the member's point of order. He will resume his seat. The member for Batman will return to the paper under discussion.

**Mr MARTIN FERGUSON**—I understand the coalition government's concerns about the rotting of entitlements, because it also reflects badly on their failure to debate issues. Rather than debating issues in the House, they are more concerned about rotting entitlements, with over \$200,000 in an election year available to try to spin an alternative story about petrol throughout the households of their electorate. As far as I am concerned this represents a corruption of the Australian political system and is something we should all be ashamed of. It is double-dipping. There is public funding available to political parties in Australia. This is absolute corruption, in my mind.

Having said that, I also want to discuss some other serious issues about the government's performance. The Labor Party moved amendments to strengthen the ACCC's powers and to strengthen the Trade Practices Act to provide greater scope for dealing with abuse of market power as well as to promote new and expanded domestic fuel industries. Despite the practical importance of these amendments to give consumers confidence that the prices they are paying are fair and reasonable in the short term and to reduce our reliance on foreign oil in the long term, only Minister Macfarlane from the government side bothered to show up to debate these issues. The problem is that when the minister got tired of it, he guillotined the debate. Imagine guillotining a debate about petrol in Australia. With ordinary motorists and households doing it very tough at the moment, they were not even prepared to let the debate go on in the House. He sat down, dismissed the amendments and basically said, 'We're not interested in further debating how we get a better deal for Australian consumers.'

These amendments would be able to put downward pressure on petrol prices and to provide for Australia's long-term energy security far more than the Prime Minister's energy statement. Let us go to some of those issues. Firstly, let us deal with LPG. The opposition is a great supporter of LPG. It was the Labor Party that proposed a rebate in October last year for LPG conversions, so obviously we welcome that announcement. But I am concerned that the details of

the implementation of the measure are ill thought out. The Prime Minister says LPG is readily available in 3,200 service stations in Australia and that nearly half of those are in rural and regional areas. The fact is there are 6½ thousand service stations in Australia, so in reality LPG is only available in about one in two. Also, in many parts of regional Australia, the hardest hit by record high petrol prices, there are very few LPG refuelling outlets and it is not possible to obtain a vehicle conversion from petrol to LPG or to obtain servicing for LPG vehicles.

For example, in Western Australia, there are no workshops in Karratha or Port Hedland which deal with LPG conversions. The only option for residents in the north-west is to send their vehicles to Perth for conversion at a transport cost of approximately \$7,750 for the round trip of 3,200 kilometres. The Prime Minister has to face up to the fact that it is not just the availability of LPG in rural and regional areas that is a problem. It is also the availability of workshops and skilled people who can do the conversions and repair the vehicles, so a rebate is only part of the question. There is a lot more that the Prime Minister will have to do to make LPG a realistic option in rural and regional Australia.

I am told that the only workshop owner with an LPG conversion licence in Port Hedland does not get enough inquiries to justify setting up his workshop for regular conversions, especially when each conversion takes at least a day. That is only one vehicle per day, and he is the only qualified mechanic at his business. On top of that, he cannot get apprentices and says there is no incentive to compensate him for the time and expense involved in training. He says he has to compete with companies such as BHP paying \$30 an hour for basic labour, and customers will not pay that for car maintenance and conversion. He also says that when he finds qualified people, they use his business as a stepping-stone into the mining industry where they can earn up to \$120,000 per year plus air fares and subsidised accommodation.

This unfortunately is a reflection on the Howard government's abject failure to invest in training in the traditional trades over the last decade, and also generally reflects on the fact that too many employers also treated training as a cost rather than an investment and walked away from some of their apprenticeship training responsibilities over the last 10 to 20 years. I simply say: what confidence can the motoring public have that once they commit to LPG the Howard government will not up the tax yet again? I refer to the fact that, since 1996, we have had a variety of changes to the excise rate with respect to LPG.

I also want to go to the issue of ethanol. Far from discrediting the Labor Party, I simply say to the Prime Minister we have always supported the biofuels industry. The House should recall that it was the Keating government that introduced an 18c a litre production bounty for ethanol in the 1993-94 budget in addition to the zero excise rating for the product. It was the Howard government that abolished the bounty scheme one year early, in the 1996-97 budget, and has consistently undermined the industry by changing the playing field on a regular basis over the last 10 years, including having three different positions on excise in the last parliament alone. Nevertheless, the measures to provide incentives for converting retail infrastructure to sell E10 are welcome.

Just as the Prime Minister was forced to adopt Labor's call to use ethanol in the Commonwealth car fleet last September—following in the footsteps of Labor governments in New South Wales and Queensland—the new measures announced also follow the Queensland government's lead earlier this year to provide incentives to convert disused tanks to E10.

I now turn to what I think is a real problem, and that is the Renewable Remote Power Generation Program. As the Prime Minister points out, remote and regional communities are doing it tough because not only do they rely on diesel for their transport but also they rely on it for power generation. The Prime Minister has thrown extra money—an extra \$123.5 million—at a program which, unfortunately, does not exist, because it basically does not work. In 2004, the government forecast \$26.4 million spending on this program for 2005-06 but, interestingly, only spent \$2.1 million. Similarly, back in 2004 the forecast for 2006-07 was \$18.8 million, yet today just \$325,000 is budgeted for 2006-07.

The fact is this program is not working properly and is dramatically underspent. There is no point in allocating another \$123.5 million when the money will not be spent. One of the reasons the money is not being spent is that the scheme is not working. This is because remote communities have to pay 50 per cent of the initial investment costs themselves. How can Indigenous communities, where this would be exceptionally important—they are probably in the greatest need of all—afford to do that? They simply cannot and we all know it. The application of this scheme has to be reviewed to try to make it more attractive, especially to remote and regional communities and Indigenous communities, and to make it work on the ground. That is a challenge to all of us, especially those with a special interest in areas such as Queensland, Western Australia and the Northern Territory. I ask the Prime Minister to review these fundamental flaws in the program. It is not just about additional money, it is about making the program work.

The extra funding for Geoscience Australia is very welcome, but more needs to be done. I am also disappointed that the government failed to recognise and support the Labor Party's second reading amendment to the retail repeal legislation which would have gone to flow-through share schemes for smaller operators. I understand that the Minister for Industry, Tourism and Resources has tried to get the scheme up on about three or four occasions but has been rolled yet again. Smaller fields are not economically attractive to the major players. What that means effectively is that because they can contribute to the national oil production we have to encourage small explorers and developers to look for and exploit these fields. The issue has to be reviewed by the government. The government also needs to review petroleum resource rent tax deductibility for frontier oil exploration. More has to be done yet to retain the integrity and stability of this scheme.

I am also concerned that, yet again, the statement failed to embrace a challenge to Australia in terms of less reliance on imported oil from the Middle East. We are a resource rich country; we are an energy rich country. We are the envy of many countries around the world. I would have thought that we should be seeking to lead the way by embracing some of the new technology, which would not only contribute to our energy security as a nation but also create other opportunities in the world. That is no different from our endeavours to invest, for example, in clean coal technology, which is not only important to Australia but also important to emerging economies such as China in relation to the challenge of greenhouse emissions. I am dismayed that the Prime Minister's announcement on gas and coal to liquids on Monday shows that he is out of touch with the potential of this industry. As the editorial in Monday's *Australian* newspaper correctly noted, 'The technology exists to convert gas into high-quality low-polluting diesel fuel.'

A fund for research is naturally welcome, but it will not help develop the industry in Australia. The Prime Minister should support our second reading amendment to call for an immediate feasibility study into gas-to-liquids plants in Australia. He could have dusted off his 2001 gas-to-liquids task force report and actually acted on it. Unlike other alternative fuels, I believe the Prime Minister has done nothing to provide an industry framework to encourage the establishment of industries in Australia to convert our coal and gas resources, which are vast, to clean diesel. This is the new technological challenge we could be confronting and leading the world on in association with places such as Qatar and, in doing so, creating a sense of energy security for Australia which is essentially important. The issue of access to energy and the security of supply is the new Cold War and, if we are not careful, Australia will be left behind yet again. I commend the second reading amendment and the repeal legislation bill to the House. (*Time expired*)

**The DEPUTY SPEAKER (Mr Haase)**—I call the member for Slipper.

**Mr SLIPPER** (Fisher) (11.30 am)—I thank you, Mr Deputy Speaker Haase, for suggesting that an electorate should be named after a member while he is still serving in the House. It is very uncommon for that to happen, but I do take it as a vote of confidence and a vote of respect, and I thank you sincerely for that very positive suggestion. Maybe the Australian Electoral Commission, in its contemplation of Queensland electoral boundaries, might well look at that. I say that in jest, but I thank you for that particular comment.

I welcome you, Mr Deputy Speaker Scott, to the chair. I know that, like me, you were particularly interested to listen to the Prime Minister's energy announcement earlier this week. As you go around the country there is absolutely no doubt that there is concern in the Australian community about petrol prices. When one looks at the prices listed outside the various service stations on the Sunshine Coast and elsewhere, it is pretty clear that on a daily and weekly basis a great deal of pain is inflicted on motorists when they drive in to fill up their vehicles. Of course, owing to conservative governments in the past, petrol prices in Queensland are lower than in other parts of the country and that is indeed a positive thing.

While the Australian community understands that the Australian government is not responsible for high petrol prices, there is no doubt that there has been angst in the community and a level of concern, a level of ongoing worry as to whether it will be possible to fill up the family car in the future on a regular basis. In his announcement, the Prime Minister has made it clear that this is not the fault of the Australian government. However, the Australian government is expected by the Australian people to endeavour to do something—to do whatever can be done—to alleviate the situation.

When one looks back historically, the Australian government have reduced fuel excise and we have done away with Labor's indexation of fuel excise. Had those very important initiatives not happened a number of years ago, petrol prices would have been inflicting so much more pain at the bowser than they do now. That is a reasonably glib response to give to people who object to high petrol prices, but it is a simple fact that, if it had not been for the reforms of this government in doing away with fuel indexation and reducing fuel excise, the price at the bowser would have been considerably higher than it currently is.

When one considers that the price of fuel in Australia is largely caused by world fuel prices, I think that whenever possible we ought to become more fuel efficient and look at alternative sources of energy. That is why I for one was particularly pleased at the Prime Minis-

ter's announcement, because the Prime Minister's announcement, while appreciating that with the stroke of a pen we cannot solve the difficulty of high petrol and fuel prices, indicates that the government has a plan to be more fuel efficient and to make it possible for—to indeed encourage—people to use alternative forms of energy.

Included in the Prime Minister's address was an announcement of a tax-free grant of \$2,000 for converting private vehicles to LPG and a tax-free grant of \$1,000 to buy new vehicles which are LPG ready. Service stations are eligible for a \$20,000 grant to install ethanol fuel pumps, and the Prime Minister announced that there will be \$134 million for increased exploration for, and mapping of, energy sources; expansion of a renewable energy program for remote communities; and the creation of a fund for solid-to-liquid fuel research. These announcements will not solve the difficulty of high petrol prices overnight, but the government has looked at what we, as elected representatives, are able to achieve to try to make sure that we are more fuel efficient and to give people choices.

Ethanol is a product that I believe has a great future, provided it is used appropriately. All of the indications are that fuel which has a certain percentage of ethanol is as good as fuel without ethanol. If ethanol is able to be produced economically—and I understand that it can be—then this will reduce the cost of petrol. It will make driving more affordable and the Australian community will substantially benefit.

While fuel prices are high, we ought not to forget that they are nowhere near as high here as they are at the bowsers in many other countries. One only has to look at the situation in Europe and the United Kingdom to see that vehicles there cost so much more to fill up. In fact, the cost of fuel in those countries is horrendous and we ought to give thanks that the cost of petrol and other fuels in Australia is so much more reasonable than in the United Kingdom or Europe.

You might say that in those countries you do not have the distances to travel that we have in Australia—and that is absolutely correct—but the cost at bowsers in Australia is very much less than in so many other First World countries. While it is important to give thanks for this and to appreciate that this is a very positive situation, it still does not ease the pain of those who have to produce their plastic or cash to fill vehicles with petrol at bowsers in Australia.

There will be some challenges, I imagine, for the infrastructure in bringing about the conversion of vehicles to use LPG. The infrastructure is probably limited and it may take some time for all of those who want to take advantage of this tax-free grant of \$2,000 to change their vehicles and make them LPG ready, but I would hope that, as time goes on, factories will produce more vehicles which are able to take LPG so that the delay in conversions will not be ongoing. I suspect that, while there might be a delay to start with, it will only be temporary. The bulge will move through and then more people will be able to get cheaper fuel by using LPG, and as the factories produce more vehicles which are LPG ready, people will be able to buy, off the production lines, vehicles that are able to use LPG. In doing so, they will be able to access the lower fuel prices which apply.

Australia has the capacity to produce substantial quantities of ethanol through sugar cane and wheat, and I think it is important that we always look at alternative sources of energy, whether for fuel or other uses. I personally believe that we always ought to encourage the use of solar power. Solar power is, in many respects, an inexhaustible resource in a country with the hours of sunshine that we regularly have, and sometimes I get concerned that it is so ex-

pensive for people to get the benefits of putting a solar hot water system on the roofs of their houses.

But, having said that, the Prime Minister's announcement on 14 August 2006 has been warmly welcomed throughout the electorate of Fisher and warmly welcomed more generally in the Australian community. It is not a panacea for high fuel prices, but it is a very clear and absolute indication that the government is aware of the pain being inflicted by high international fuel prices on Australian motorists and other users of fuel. It is also a recognition that the government is not able with the stroke of a pen to reduce fuel prices overnight.

Some people have actually contacted me and suggested that the government should subsidise fuel, that maybe it should either abolish fuel excise altogether or pay some subsidy to artificially reduce the cost of fuel to the Australian motorist. I think that would be counterproductive because the government uses fuel excise to achieve positive community outcomes. Fuel excise goes into the general revenue of the nation. If the government has less revenue, then it either has to cut services or raise other taxes. When you ask people what other taxes they would like to see raised, they are really unable to answer that.

So I think the Prime Minister's statement is a very balanced approach. I consider that the government will continue to monitor very closely the fuel situation, to try to make sure that from time to time the government's response is appropriate. I welcome in particular the initiatives with respect to alternative fuel, I welcome the subsidies to convert existing vehicles to become LPG ready and I also welcome the fact that a \$1,000 subsidy will be given to those people who want to buy a new vehicle which is LPG ready. These are important incremental benefits with respect to a systemic problem—that is, high fuel prices—which is confronting Australia and confronting motorists and fuel users in Australia.

The government would love to be able to just wave a magic wand and solve the problem of high fuel prices, but the Australian community does respect the fact that the government is honest with it. The government has pointed out that high fuel prices are not the responsibility of Australia, the Australian government or the Australian people but are a problem worldwide. While the Australian community appreciates the fact that the government is not responsible for high fuel prices, the Australian people did want the government to do something, and the Prime Minister's statement on 14 August will go a long way towards indicating to the Australian people that we are taking this problem very seriously, that we are doing what we can as a government to improve the situation and to improve outcomes.

I imagine that the government will continue to have a watching brief in relation to fuel. The government must constantly be prepared to make changes, make improvements and make reforms, particularly in the area of encouraging alternative fuels and renewable fuels. This government does have the runs on the board, and the Prime Minister's statement of 14 August 2006 was another indication that we do in fact appropriately respond to community concerns and we do bring about good government policy that will benefit the Australian people.

**Mr HAYES** (Werriwa) (11.43 am)—You only need to pick up a newspaper these days, listen to a local radio, watch the nightly news perhaps or, quite frankly, have a conversation with anyone in an electorate—as you would no doubt appreciate yourself, Mr Deputy Speaker—to find that the first thing people want to talk about is petrol prices. Conversations on petrol pricing have replaced those about the weather or property prices. Whether you are sitting around at the football match, at the club after the game or doing anything else petrol prices are not far

from people's minds. Certainly that has been the experience in my electorate, and I think if everyone were being factual around the chamber that would be their experience as well. I first raised the issue of petrol prices in this country in August last year. Given the fact that I was sworn in as a member of parliament only in late May, it did not take long for people in my area, throughout Liverpool and Campbelltown, to make it known to me that the issues that concerned them were the uncertainties associated with rising petrol prices.

As a representative of an outer metropolitan electorate, I appreciate that thousands of people who get in their cars each day and head off to work face the rapid increase in petrol prices. Hence the reason it is of concern to most people. For instance, within the electorate of Werriwa, which consists largely of working families, people are using their vehicles to get to and from work and to get kids to and from school, as well as the many associated school activities that would follow.

To give you some understanding from my perspective as it impacts on my electorate, you only need to have a cursory look at the actual figures involved. The fact is that half the households in the electorate of Werriwa have two or more vehicles, while two-thirds of the people in my electorate use their vehicles to travel to work. That being the case, you will appreciate the enormous impact of rising petrol prices on the family budget. It is no wonder even a small rise in petrol prices constitutes a serious issue for people in my electorate, where they have to reassess their family budgets and start to think about what they are going to have to cut back—perhaps it is to cut back on out-of-school activities for kids; there may be issues about sports et cetera—and also how they are going to manage the family budget to do everything else, including paying their mortgage. As you would appreciate, outer metropolitan Sydney is the mortgage belt of Sydney.

Given the circumstances of so many of my constituents, it was with considerable interest that I listened to the content of the Prime Minister's statement on Monday, which is the subject of our discussion here today. I listened with great interest, and I have to say I was disappointed. I was disappointed because I thought it was only designed to address short-term issues. It was not designed to actually give this country energy security for the future and protect against the long-term ravages of a dependency on foreign crude oil supply.

As you would no doubt appreciate, it did take less than a three-hour meeting of the Prime Minister's backbench to hear just how the skyrocketing petrol prices were hurting people—Australian families and small businesses. So, when the Prime Minister got proudly to his feet on Monday and delivered one of his very few ministerial statements, I have to say it was somewhat disappointing in terms of the content. It was disappointing because it was another effort as a political quick fix. It did not deal with the issue of what is looming large on the horizon of the economies throughout the world or the impact that rising petrol or fuel prices will have on the Australian economy while we are dependent on foreign oil supply, and, quite frankly, it did little to show that we had a plan to protect Australian consumers from having to compete with the emerging and energy-hungry economies of China and India—steps that would have allowed Australia to develop a diversified and home-grown fuel industry. To put in place the steps, we on our side have actually looked at those and, as you would recall, Mr Deputy Speaker Scott, because I think most government members do—they read the Labor Party's blueprints—in October last year we released our blueprint on fuel.



Relief at the petrol pump is one aspect of the issues associated with transport fuels and the energy debate. This is a matter that I spoke about on a number of occasions. As a matter of fact, I sought to have a reference to the ACCC so that that body could examine domestic petrol pricing, a measure that this government opposed, even to the point of gagging the motion that I was moving at that stage. There is no doubt that in the immediate term the most pressing issue for most motorists and small businesses is petrol pricing and that is why the Labor Party sought a reference to the ACCC whereby it could examine in detail all aspects of domestic petrol pricing to ensure, at least for the purpose of Australian motorists, that there was some transparency in the pricing at the petrol pump.

However, the second and probably most important aspect associated with the transport fuels and energy debate is long-term energy security. If this government continues to thumb its nose at putting in place steps to address the longer term implications of increased demand for oil and the limited growth of supply, that cry of pain from the populace will only grow louder and the impact will be felt more acutely on the household budgets of families and small businesses.

I have raised the issue of petrol prices and the need for forward planning for Australia's long-term energy security in the parliament on at least a dozen occasions. I might add that on the last occasion on which I sought to do that I was gagged by the government in trying to have a reference to the ACCC. Can you believe that? The government does not want to hear about the experience of the people of south-western Sydney, and I imagine that that is the case for people from working families in all outer metropolitan areas. In contrast, we have been listening.

I certainly did take this on board when I listened intently to what the Prime Minister had to say the other day. Labor was looking in the Prime Minister's statement for a sign that the government had a plan for the future, but all we heard in this marquee announcement was that subsidies would be introduced to convert motor vehicles to LPG and that petrol stations could access subsidies to install ethanol tanks, but this government still has not been able to tell us how many people will be able to take advantage of these subsidies. It cannot tell us how many motorists will be able to benefit from the LPG subsidies. I know that the member for Hunter estimates in his calculations that approximately only three per cent of motorists will be able to take up the advantages of that scheme. If that is right, that means that 97 per cent of people will be left disappointed with this marquee initiative announced by the Prime Minister.

I mentioned earlier that the Prime Minister's statement contained very little vision for meeting Australia's future energy demand—be they transport fuels or any other energy form in that regard. There was too little in the measures to uncouple from our dependency on overseas oil supply. By contrast, Labor has already developed and released its plans for the future. While the government concentrates on energies and propping up the nuclear power debate, Labor has called for a full examination of all options available to us, including wind, solar, biofuels, clean burning coal and others. It is not enough to simply concentrate on one aspect of energy for securing Australia's energy future.

I found it particularly interesting that on the day that the Prime Minister delivered his much awaited statement, the *Australian* newspaper ran an editorial that showed that at least some people are concerned about Australia's long-term energy interests. In its editorial on Monday, the *Australian* newspaper said this:

... Australia has the capacity to break its dependence on imported crude oil. But this will not be done by political posturing and bandaid solutions.

In other words, this will not be done by this government. The *Australian* went on to say:

Australia must seize the opportunity of a high world oil price to finally get serious about its long-term energy future.

It went on to say:

Opposition resources spokesman Martin Ferguson has raised the issue of gas or coal to liquids as the best long-term answer to the current oil price shock, and he is correct.

That is a telling comment coming from the *Australian* newspaper, that has taken it upon itself to look at what is motivating its readers and, in turn, protect them from the oil shock and acknowledge that the development of technologies in gas and coal to liquids is in Australia's best long-term interest.

Unlike the government's attempt at the short-term political fix, Labor plans for the future. Labor's fuels blueprint sets the goal of reducing our reliance on foreign oil and outlining a need to diversify Australian fuel industries. Labor has identified that it will pursue self-sufficiency to make this nation stronger, to insulate it from the ravages of the market, to protect it from the economic forces of supply and demand on the world stage, which interact to drive up oil prices. Labor is looking after the strategic interests of Australian fuel security.

In contrast to the government's marquee announcement about LPG conversions, subsidies will not be available to all motorists. We saw Mr Nairn acknowledge the other day that we will not be moving to convert Commonwealth vehicles to LPG because of the limitations that the gas fuel provides presently. And bear in mind that he made his statement in July this year and then tried to tell us all that much has changed since July. The only thing that has changed since July is that the Prime Minister got up on Monday and made a statement about it. The Prime Minister's announcement is likely to do little more than drive up the price of LPG conversions and LPG fuel by increasing demand. Labor's plan, quite frankly, is to provide incentives for Australians to be able to buy and run their vehicles on alternative fuels.

In addition to making a serious effort in diversifying Australia's fuel industry and reducing the reliance on imported crude oil, Labor is committed to making alternative fuel vehicles tariff free, cutting up to \$2,000 off the price of the current hybrid vehicles, and working with state and local governments to give city traffic and parking advantages to hybrid vehicles. A Labor government would also conduct feasibility studies into gas-to-liquid plans as well as coal-to-liquid plans, offer petroleum resource rent tax incentives for the developers of gas fuels which provide resources for gas to liquids within their project, examine the infrastructure investment allowance for investment in Australian gas-to-liquid infrastructure, develop a targeted fund scheme for research and development in these areas, work with industry to improve engine design and fuel quality standards, ease the regulation on biofuel products on farms, and encourage a sustainable ethanol industry. (*Time expired*)

**Mr HUNT** (Flinders—Parliamentary Secretary to the Minister for the Environment and Heritage) (11.58 am)—In responding to the Prime Minister's energy statement and energy initiatives of this week, I want to proceed on two fronts. Firstly, I want to try to put the statement into a global context and, secondly, I want to deal with some of the specific initiatives contained within the Prime Minister's package.

Within the global context are two critical trends that we have to examine. Firstly, we have to examine the trend in relation to transportation fuel, primarily oil and petroleum products, and secondly, we have to look at static energy or electricity and the generation of our power sources. The underlying theme in relation to both is that we have a transforming world environment. In a sense, historians talk about the long century being 1789 to 1914—the Congress of Vienna settled the boundaries of Europe in a relatively stable environment—and we have been through that in terms of energy. In energy terms, you might draw the analogy that this is 1913 and that we are going through the process of reconstructing the next great phase of human energy consumption over the coming century, and we need to look at it in terms of a radically different set of the structures.

What is the cause of that? The cause is a combination of both supply and demand at the global level. We have the emergence of China and India as two giants, and they are only just going through the early stages of the demand that they will require both in automotive and liquid fuels and in static energy or electricity requirements. Those changes are profound and dramatic. They are profound on the demand side and, as many have noted, our oil supply base is limited: it is a source with limited capacity. Our discoveries do not equal our new requirements, so over the next 50 years we will face diminishing supply relative to the increasing demand. The impact historically is absolutely clear. It will result in a price change. It will result in more than just a price change; it will result in the rationing of supply relative to demand, which will have quite a significant impact on prices and quite a profound impact on the way in which we use liquid energy resources over the coming half century. That means there has to be adaptation on a profound and global level. These changes have to occur—there is no doubt about it. That is one of the great responsibilities that members on both sides of this chamber have in our preparation for the coming half century and beyond. So that is one of the issues, along with water, that I focus on deeply as a major, personal responsibility.

I mentioned also that the second of the global trends beyond transportation fuel relates to static energy. Here there are a broader range of resources. On that front, however, it is twinned with both the supply and the environmental consequences of CO<sub>2</sub> production. The global equation is about 40 billion tonnes of CO<sub>2</sub> per annum, of which Australia accounts for 560 million tonnes or about 1.4 per cent of output. As somebody who has responsibility, along with the Minister for the Environment and Heritage, Senator Ian Campbell, for Australia's environmental work, there is no question that climate change resulting from this 40 billion tonnes is a real and significant threat. We have seen an increase in global temperatures over the last century—and I rely here on my advice from the Bureau of Meteorology, for which I have responsibility—of about 0.7 to 0.8 degrees. It is predicted that there is likely to be an increase in temperature of somewhere between 1.2 and 5.8 degrees over the coming century, depending on the emissions scenarios and the effects scenarios, but they will be real and tangible. That in itself is likely to see a sea level impact of somewhere between eight or nine centimetres and 88 centimetres. Again, the effects will be real and tangible, not catastrophic but absolutely significant. Because what we put into the atmosphere in CO<sub>2</sub> stays there for hundreds of years, over the longer run there will be an exponential effect, not only during this century but beyond, so I am very aware of our responsibilities not just to future generations within this century but to future generations in coming centuries.

Against all of that background we have to look at low emissions technologies. I am source neutral as to whether those low emissions technologies are clean coal, which I think is fundamentally important, nuclear technology, which accounts for about 16 per cent of the world's static energy—and Australia is one of the suppliers of 30 per cent of the world's current uranium products, with 40 per cent of the world's uranium reserves, so it has a critical role and, I would argue, a moral role in helping to ensure that we provide this energy; I think it is a very important source—or whether they are other forms of renewable energy, whether through solar, hydro, thermal energy, wind or tidal. All of those have a role along with hydrogen. But none of these technologies—clean coal, nuclear, those different sources, demand reduction, fuel switching—will solve the problem alone.

The global equation that Ian Campbell has presented is that, while there will be a doubling of energy requirements over the course of this century, there needs to be a 50 per cent decrease in our emissions. Against that package, what we have is a first stage energy initiative at this point. That first stage energy initiative, which I welcome, sets out five basic areas of responsibility and immediate action.

The first deals with the question of high petrol prices, which have risen in part because of specific events in the global environment but more particularly because of the underlying trend of increased demand caused by China and India. That has manifested itself in the LPG vehicle support scheme, which provides \$670 million over eight years to encourage the uptake and use of liquid petroleum gases and alternative fuel. It is a very important initiative. It is not going to solve everything for everybody, but it is an important step in providing alternatives for as many people as possible and in decreasing pressure on demand for liquid petroleum. That scheme provides a \$2,000 grant for approved and fitted LPG conversion of a motor vehicle for non-business use, and a \$1,000 grant for new LPG dedicated or dual fuel petrol-LPG vehicles for non-business use—in other words, factory produced vehicles. It is important for Australia's own producers.

One initiative on which I have been working behind the scenes with some of the finance providers is to see whether concessional loans could be made available to people to fill the gap that they have to pay—which may be between \$500 and \$1,500—for this LPG conversion. That would give them the ability to make that payment over time rather than up front. I am hopeful that we may be able to achieve something on that front.

Secondly, the ethanol infrastructure scheme is a very important development. It is not a total solution—and anybody who presents it as that is misrepresenting the situation—but I have no doubt that it is an important contribution both in terms of the provision of cleaner fuel and of biofuels. It is not the total solution, but it is an important part both of our clean energy mix and of our use of additional biofuels as a means of taking pressure off the price. There is \$17 million there to enable service station operators to upgrade their equipment and to increase the sale of ethanol blended fuel. Essentially, that is in the form of a \$10,000 payment once any conversion to allow the sale of LPG is complete, and a \$10,000 bounty after an ethanol blend sales target is reached. It is a nice combination.

The third area is in relation to the renewable remote power generation program. Here there is just over \$120 million over a period of four years to extend and expand that program, which encourages the replacement of diesel generators with renewable energy sources for power generation and water pumping, whether that is wind or solar—which are the two most likely

options for those renewable areas—twinned with solar cells and other forms of battery storage. Battery storage on a grand scale is one of the great technology challenges we face. This is an important area.

In terms of the deeper structural changes over the coming years, the assistance for Geoscience Australia of \$134 million in total for exploration promotion and development is extremely important. We need to look for major new oil sources. Secondly, looking at geothermal energy is an option. The early work that we have seen coming out of the Cooper Basin is of high importance. We have a generation capacity in Australia of 45 gigawatts—45 billion watts. That is the Australian equation at the moment. The figures that we hear about from the Cooper Basin and other geothermal energy sources are quite significant—anything from one gigawatt to 10 gigawatts of new capacity. That is profoundly important, on the scale of the Snowy Mountains scheme. We will see whether that tests up to what is promoted, but it does offer enormous potential.

Finally there is the future transport fuels options package. That is work that Minister Macfarlane has commissioned. From the presentation on the other side of this chamber, it was as if the Labor Party is the only set of people thinking about gas to liquids and coal to liquids. That is false. There is important work being done there and it is extremely important to Australia's energy security that we master this clean coal technology and we master the coal-to-liquids conversion and gas-to-liquids conversion.

The Bass Strait depleted wells offer an extraordinary capacity to make a huge inroad into Australia's CO<sub>2</sub> emissions through geosequestration. Coal-fired power stations adjacent to depleted wells gives us an almost unique chance to reduce the 60 million tonnes of CO<sub>2</sub> emissions that come out of the Latrobe Valley to 10 million tonnes. Those are the figures which Monash Energy, a subsidiary of Anglo Coal, which is itself a subsidiary of Anglo American, have given to me as being distinctly possible. So in one hit, in one area and in one sector we would be able to reduce Australia's CO<sub>2</sub> emissions by about 10 per cent—and that is not on the never-never; we are looking at a time frame there of about eight to 10 years.

So that is the package. I believe that it helps deal with the deeper structural challenges which Australia faces in terms of our transport oil, our static energy and our CO<sub>2</sub> emissions. I think it is an important step. It is not the end of the process but I commend it to the House with my full support.

**Mr McMULLAN** (Fraser) (12.12 pm)—It is interesting to follow the Parliamentary Secretary to the Minister for the Environment and Heritage. I thought the first half of his speech was a very interesting definition of the comprehensive nature of the problem. I do not agree with everything he said but it was broadly and in sweeping terms an outline of the fundamental international characteristics of the problem. But what it inevitably meant was that the second half of his speech showed how inadequate the response is to the problem he defined.

I want to spend most of my time dealing with a specific aspect of the way in which the Prime Minister presented the material, which created a misleading impression—and a misleading impression that refers back to some activity of mine some years ago—and I want to deal with that primarily. I welcome in general the opportunity to respond to this statement. The statement is welcome but disappointing. It is one of those Clayton's statements that you make when you want to be seen to be responding to the petrol price crisis but are not actually doing anything about it.

I was amused to see this morning in the newspaper a critique saying ‘Oil giants will win in fuel package’ and the claim that 87 per cent of the money that the Prime Minister has committed to programs to help motorists will benefit the oil industry.

**The DEPUTY SPEAKER (Hon. BC Scott)**—Order! The member for Canning cannot leave. We need a quorum.

**Mr McMULLAN**—My speech was not that bad that you had to cut it short, I am sure! Thank you, Mr Deputy Speaker.

**The DEPUTY SPEAKER**—I just want someone to listen to you! I am listening intently.

**Mr McMULLAN**—That of course was your colleague, Mr Deputy Speaker, Senator Boswell, the National Party Senate leader, who said 87 per cent of the money would benefit the oil giants. That is just part of the analysis that shows the inadequacy of the response. Nevertheless, there are some elements of it that I welcome: some elements will assist some citizens to do things like LPG conversions. In terms of the challenge the parliamentary secretary defined, particularly as it relates to climate change, what the Leader of the Opposition has correctly described is one of the four great challenges facing the international community—poverty, terrorism, weapons of mass destruction and climate change. As a response to that or even as a response to the problem of petrol prices, which is the immediate political problem facing the government, it was very inadequate but any positive aspect of it is welcome.

I make one brief reference to which all such statements—and not just by this government but by previous governments, including state governments—are reported in Australia. I think there is a serious inadequacy and manipulation, which is reflected in this statement but not unique to it, which has been going on for years. There is an elastic time period over which expenditure announced with regard to packages of reform is included. For example, in this proposal it is blithely reported that it is a \$1.5 billion package when, in fact, it is a \$1.5 billion package over eight years. I think we have to move towards some sort of standardisation when the forward estimates impact of measures is reported. The rest is entirely notional. There is no certainty that any of those things are going to happen and they would not be included in the budget papers.

I want to take the balance of my time to deal specifically with a misleading implication in the Prime Minister’s statement. It is one that has been recurrent with regard to the Labor Party’s attitude, and my attitude in particular, to ethanol. It arises because of my campaign, for which I make no apology and of which I am very proud, to expose the rorts and special deals on ethanol in the period from late 2002 to the early part of 2003.

Every statement I made in that period and every statement I have made since has been consistent with the longstanding position I and the Labor Party have held—that is, there is a significant future for ethanol, going back to the introduction of the ethanol subsidy by the Keating government, which of course was abolished by the Howard government. What we were against then and what I spoke out against then were rorts and special deals for mates. We always made it clear that we were opposed to rorts, we were opposed to special deals for mates, we were opposed to consumers not being informed and we were opposed to the failure of the government to set a 10 per cent cap on ethanol in spite of all the scientific advice that it should do so. We said then that this failure to act would adversely affect those who were selling legitimate E10 ethanol products. There were some then and we never criticised them then.

There are some now and I support them now. E10 has always been a valid option. It is the special deal for Manildra, the big supporter of the Liberal Party, that was our objection and concern.

Let us look at the facts: in November 2000, Environment Australia advised the government that it should have a limit of 10 per cent on the ethanol level in petrol, consistent with international standards. In December 2001, the Australian Competition and Consumer Commission wrote to the Minister for the Environment and Heritage calling for a 10 per cent limit and urging that consumers be advised when they were sold high ethanol blends. But even as late as September 2002, the first time I raised it—which was almost two years after the first advice and almost a year after the ACCC recommendation—the government was refusing to act and we had the head of the Australian Institute of Petroleum making it clear that the then Minister for Agriculture, Fisheries and Forestry had said to him that the Prime Minister would not agree to a 10 per cent ethanol limit if it affected the operations of Manildra. That is the basis upon which we said that consumers were not being advised as they should be, that the limit was not being set as it should be—because of special deals for mates.

Every policy statement that we put out, every piece of information that we put out, made that clear. We said there seemed to be no risk of damage up to 10 per cent in ethanol but that every producer—every major Australian motor vehicle producer and the people in the boating industry as well—was saying that warranties on engines would be voided if you put in more than 10 per cent ethanol, and yet customers could not know whether or not they were doing it because the government refused to advise them. Was this a scandalous policy we were proposing, that there should be a 10 per cent cap and that consumers should be advised? It is so scandalous the government adopted it. It is so scandalous it is now the government's policy. But when we advocated it the government twisted and turned and did everything it could to avoid having to implement it.

It was not a lack of information. In 2001 the then consumer affairs minister, the Minister for Financial Services and Regulation, Mr Hockey, said that consumers have a right to know if their engines are at risk, but the government would not act to require people to disclose. The head of the Australian Competition and Consumer Commission, Allan Fels, recommended to the government that they should put a limit and they should require disclosure. He said:

This silence may mislead consumers.

But would the government act? No. They set up a task force and everybody on the task force except two said they should put a limit and they should have disclosure—and the two dissentients were both from the ethanol industry, representing the manufacturer, who did not want the limit. The government said, 'Well, this committee can't get a unanimous decision, so we'll put off making a decision even longer.'

Everybody knew what the decision was going to be—what it had to be, what the international standard is, what the ACCC had requested, what the minister for consumer affairs had requested, what the Department of the Environment and Heritage had requested and what the Labor Party advocated as a policy—and the government attacked us and said we were terrible people who were opposed to ethanol, and then eventually they adopted our policy. Eventually they implemented exactly what we had advocated, and they knew they were always going to have to. They knew that the position they were adopting, which was to have no limit and no advice to consumers, was untenable, but they continued to do it. Why? As the head of the

Australian Institute of Petroleum made clear, it was because the Prime Minister would not agree to a 10 per cent limit if it would affect the operations of Manildra.

When you do special deals, it has consequences and it often has unintended consequences. One of the consequences of those special deals and rorts was that the reputation of ethical sellers of ethanol, under the E10 brand, suffered. We said that is what would happen and it did, and it is going to take a lot to fix it, but that is not because there is anything wrong with the product. I go back to the history. When I was parliamentary secretary to the then Treasurer, Paul Keating, we negotiated, principally with Manildra, a subsidy on the production of ethanol. The then Liberal-National Party opposition said they would keep it, but of course when they came to office they abolished it.

Even at the height of this controversy, the Howard government introduced a program of capital grants for people to establish ethanol manufacturing plants, and we supported it. I certainly supported it personally. To the best of my recollection, the opposition as a whole supported it—but I did. I thought it was good public policy. I think some aspects of some of the subsidies were very dubious, but the question of capital grants is absolutely a good, valid bit of public policy and I supported it and I was content for it to be continued. But we opposed the rorts then and I oppose them now. Events have in fact vindicated everything that we did.

So let us come back to the broader statement that we have before us with the government's energy policy statement. You can never say that a statement that introduces some modest assistance for people doing LPG conversions, for example, is not welcome. It has been exaggerated in its benefit. It is a very small fig leaf to cover what is a rather large political embarrassment for the government, but it is better than nothing. I do not say it should not have been made. I suspect that, if there had been more research earlier, we would have got a more comprehensive statement. If it had gone to the whole range of policy issues more comprehensively, which were included in the Leader of the Opposition's alternative fuels blueprint, it would have been a much more effective response to the substantial international problem, which was reasonably well outlined by the Parliamentary Secretary to the Minister for the Environment and Heritage, who spoke before me. While I did not agree with everything he said, he did indicate the comprehensive nature of the issue, the underlying forces that are driving changes in resource allocation and environmental threats as a consequence of changes in the global economic environment and the global climatic environment.

As an effective response to either of those things, this is a pitifully small response, but I welcome elements of it. It is better late than never; better too little than nothing at all. We have this modest response. Insofar as it is of assistance to people that I represent, I welcome it. I wanted to take the chance to correct the record over the rorts that were undertaken in 2002, and I am pleased that the government finally did adopt our policy with regard to those matters. It is the correct policy. It was overdue. It should have been done much earlier, but it is better late than never.

**Mr FITZGIBBON** (Hunter) (12.27 pm)—I am happy to make a short contribution now in the debate to take note of the Prime Minister's statement on energy initiatives and to continue my remarks when parliament resumes in a fortnight's time. I thought I would take the opportunity to make a short contribution now to reinforce an important point I was making in the House yesterday and to again extend an invitation to the Prime Minister or the Minister for Industry, Tourism and Resources to answer a very simple question, and one which I have been



asking for days, and that is: what is the government's estimate on the number of motor vehicles which will have access to the government's LPG grants program?

We have done considerable work on this, using Australian Bureau of Statistics numbers on the number of vehicles in this country, and the level of funding that has been given to the grant over the next eight years. My calculation—and I am very confident my calculation is correct—is that less than three per cent of motor vehicles in this country will have access to this grants scheme. The obvious second question which flows from that is: what is the Prime Minister's message to the remaining 97-plus per cent of consumers who will not have access to that grants scheme? What was in the Prime Minister's statement on Monday which is going to bring fuel price relief for them tomorrow, next week, next month or even next year?

These are the simple questions the Prime Minister or his minister must answer. We know they have the number of likely uptakes on LPG; otherwise, they could not have possibly costed this scheme. So I call upon them again to come forward with that number. It is simple. They have it in their drawer; they have it on their computer. Be honest with the Australian people and share that information with them.

This is an energy statement that will somewhat disappoint the Australian people. What we needed from the government in the first instance was a decision to refer to the ACCC the power it requires to properly investigate petrol prices in this country. It is very, very simple. The stroke of a pen would have achieved that. Second, we wanted the government to strengthen the Trade Practices Act to enhance the ACCC's power to successfully prosecute any retailer or wholesaler of fuel doing the wrong thing by motorists. Third, we needed a proper approach to diversifying fuel consumption in this country and further reducing our reliance on imported oil and, in particular, Middle Eastern oil. We got none of that in this package. We got some hope—some very long term, minor hope—on import dependency. The government picked up some of our proposals on bringing forward investment in exploration of more oil and gas, and we saw a very slight hint that it might be beginning to agree with us on the question of the development of a gas-to-diesel industry in this country, but it was not enough.

So I invite the Prime Minister, now the community has come to a conclusion that there is not anything in this package that is going to bring them any short- to medium-term relief on petrol prices, to come back to the parliament and admit that this was a hurriedly and recklessly cobbled together package that will do nothing in the short to medium term on petrol prices. We invite him to do so. He stole our LPG policy, and we are delighted to say that a LPG policy as a small part of a broader policy would have made a difference. But, by focusing entirely on LPG, he is distorting the market. You are going to have demand outstripping supply on conversions. Conversion prices will go up. You are going to have demand outstripping supply on gas itself and the price of gas is going to go up. That is no way to run a policy. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

#### ADJOURNMENT

**Mr RANDALL** (Canning) (12.32 pm)—I move:

That the Main Committee do now adjourn.

### Adelaide Electorate: Broadband Services

**Ms KATE ELLIS** (Adelaide) (12.32 pm)—I rise to draw the attention of the House to the realities of broadband accessibility in the federal seat of Adelaide. I was bemused, to say the least, early last week in the wake of the decision to scrap plans for a new high-speed broadband network when the federal Minister for Communications, Information Technology and the Arts attempted to counter the widespread public disappointment not by coming up with alternative solutions but by rapping us on the knuckles for expecting far too much. I refer in particular to comments the minister made on the ABC's *7.30 Report*, in which she told us that here in Adelaide we ought to be happy with our broadband speeds as they are. These comments generated a lot of interest in my seat of Adelaide, and I imagine the members for Sydney, Melbourne, Brisbane and Perth, whose electorates were also referred to in the minister's comments, experienced a similar flare-up of emotion from the many small businesses, students and families experiencing the harsh reality of Australia's inadequate broadband technology.

The statistics on broadband in this country are clearly of concern. Australia is ranked 17th out of 30 countries surveyed by the OECD for take-up of the 256 kilobits per second broadband. The World Economic Forum ranks Australia 25th in the world in available internet bandwidth and Australia's network readiness at 15th—and falling. A recent World Bank study also confirms that Australia has access to some of the slowest broadband in the developed world. Clearly these failings have severe implications for the residents and businesses of Adelaide.

Since I was elected to serve in this parliament, I have made representations on behalf of my constituents across my electorate who for a variety of reasons cannot receive adequate broadband in their home or in their workplace. I have directed these concerns to both Telstra and to the minister, and I find it appalling that the minister earlier this month, again on ABC's *7.30 Report*, chose to misrepresent the situation by claiming, 'No-one is complaining about the speeds of broadband in metropolitan areas.' The reality, in stark contrast to the picture presented by the minister, reveals a system which is unable to provide adequate broadband services in parts of central and inner metropolitan Adelaide—in areas particularly around Dulwich, Northgate, Wayville, Goodwood, Unley and Prospect.

Since I have been here I have been astounded by the various examples, including one quite recently when my office was rung by a woman who could not access broadband at all although she lives less than 10 kilometres from the city of Adelaide. One constituent summed it up this way when she said, 'I cannot believe that in Goodwood, in the electorate of Adelaide, I cannot get broadband. I don't understand it. It's not like we are in an isolated region of the state.'

I also have copies of correspondence from Telstra, in which they have rejected appeals to upgrade, in my electorate, pair gain system infrastructure to ADSL on the basis that an upgrade 'would not be commercially viable'. I would like to point out on the record, however, that what I believe is not commercially viable is a situation in which the government's failure to ensure adequate broadband infrastructure is resulting in residents in CBD suburbs in Adelaide being unable to obtain access to the internet, in some cases at all, and certainly at economically competitive rates.

What is desperately needed is for the government to take leadership in this issue, and I believe that Labor's policy on broadband will address the problems being experienced in my seat of Adelaide by delivering a national broadband network in partnership with the telecommunications sector. This fibre-to-the-node network will give Australia the superfast broadband infrastructure Adelaide families and businesses need. For the first time, millions of families and businesses across the country would have access to superfast broadband internet. The network speed of at least six megabits per second would be 25 times faster than the current broadband benchmark of 256 kilobits per second.

The repercussions for businesses in Adelaide and Australia would be immense, from slashing local and international telephone costs—and thereby making STD charges obsolete—to making available new entertainment and communications applications, such as video on demand, digital TV over the internet and video phones, and fostering the expansion of currently unavailable services, such as e-health, e-education and an increasing range of government services.

The need for improved infrastructure is obvious and the vision from the current government is desperately lacking. Australians are right to demand more from the government on this issue. My fear is that the government does not have the vision to deliver upon these expectations and I would again urge them to act in the interests of our nation.

#### **Victims' Rights**

**Mrs GASH** (Gilmore) (12.37 pm)—On 28 February 2005, Michael Carey of Sanctuary Point in my electorate of Gilmore was murdered most brutally and callously by Michael Rudzitis, an acquaintance of his who shared an interest in betting. Mr Carey's death has left his partner, Nicole Robach, wondering about the injustice of it all, and it is for her that I am making this statement. Nicole is aware of the fact that this statement is being made in parliament.

Nicole has the care of the couple's two children and is understandably seeking closure to her nightmare, which I will describe. Mr Carey's murderer was found not guilty on the grounds of being mentally ill and is at present incarcerated at the psychiatric wing of Long Bay jail in Sydney.

My statement concerns two aspects of New South Wales legislation which impact on this case, and together have contributed to the torment that Ms Robach lives with constantly. Whilst I concede that the legislative aspect is beyond the jurisdiction of the Commonwealth, the impact of it is certainly not and it is my intention to raise awareness of these two pieces of legislation on third-party victims like Ms Robach and her two children.

The first aspect concerns the Charter of Victims Rights in New South Wales whilst the second relates to the Mental Health Act (NSW) 1990. I will commence with the latter first, as I consider that the provisions of the Mental Health Act, as it applies in this case, make the concept of the Charter of Victims Rights a hollow instrument. Under the Mental Health Act it is a condition of Mr Rudzitis's incarceration that his case be reviewed at least six-monthly to determine his mental state. The implications of this provision are that Ms Robach is condemned to revisit the crime whilst ever Mr Rudzitis remains at the pleasure of the New South Wales Minister for Health.

For many victims the ordeal of the trial is very traumatic, and Ms Robach is already suffering mightily, as can be expected, and to subject her to this type of torment on a repeated basis is cruel and inhumane. Presuming that Mr Rudzitis will never be released, Ms Robach has become a psychological prisoner of the system. Not only that but Mr Rudzitis, from jail, has made threats to harm her and her children, albeit indirectly, adding to the weight of stress she is under already.

Rudzitis has been tried and found not guilty on the grounds of mental incapacity and therefore he cannot be tried again if ever he is released. That he is capable of carrying out his threats is not in question; after all, he has committed murder once before. The real concern for Ms Robach is that if he ever persuades officialdom that he is sane and he is released, she will live in perpetual fear for herself and for her children for the rest of her life. This is not justice, it is a travesty of justice, and the question arises: just who is being punished—the innocent mother of the victim's children or the mad killer presently in jail?

It is often stated that the system is biased towards the perpetrator and against the victim, and this is one of those cases where I believe this to be true. It seems that, whilst Mr Rudzitis's welfare is being well and truly catered for, it is at the expense of Ms Robach's state of mind. Who knows how much damage this uncertainty is causing her and her children, and how can it be said that justice is being done? In this particular matter, it seems a compelling case has been made to reconsider the implications of the six-monthly review criteria for third-party victims, especially if it can be shown that emotional if not mental damage is being done.

Whilst I have no argument with the need to have a review, the rights of all concerned need to be weighed in the balance. Perhaps consideration can be given by the New South Wales government to put in place measures whereby people like Nicole Robach are spared pain for a much longer time. I believe that consideration ought to be given to including third-party victims in reviews if there is a strong likelihood of the forensic patient being released. In such a scenario, the victim can perhaps lay their case before the review panel and use a victim's statement to argue against the release. This would do much to alleviate the repetitive burden and stress and would allow these victims some chance of getting on with their lives.

#### **Mr Gregory Andrews**

**Mr SNOWDON** (Lingiari) (12.41 pm)—The purpose of my contribution today is to further expose the relationship between the Minister for Families, Community Services and Indigenous Affairs, his office and his department in deceiving the ABC and the Australian community over the disguised appearance by Mr Gregory Andrews, a senior officer of Mr Brough's department, on the ABC's *Lateline* program on 21 June this year. We now know that Mr Andrews prepared his statement for the ABC at his workplace on 1 and 2 June, that he had this statement 'legalled' by his department and that he was assisted in the preparation of this statement by his boss, Mr Gibbons, and the minister's office. Indeed, it is clear to me that he was coached in what to say by Mr Gibbons and the minister's office.

We also know that the interview with the ABC was recorded at Mr Andrews's home on Friday, 2 June. We were told that Mr Andrews appeared anonymously because he was afraid for his safety. We also know that, in the days following the interview, Mr Andrews and another departmental officer travelled to Central Australia and visited the Mutitjulu community and held meetings with that community. We know that while he was there he was involved in seeking to improperly gain access to criminal records that were later publicised on the ABC

and that his boss, Mr Gibbons, had full knowledge of his activities. At no time during his visit to Mutitjulu on 6 June did he inform the community of his pending appearance on the ABC or seek information from them that might assist him in that appearance.

We now know that Mr Andrews's orchestrated appearance on the ABC was a deception, that he had an agenda and that he had previously threatened the community with having an administrator imposed on them—and subsequent events that I will come to in a moment demonstrate that that did happen. We know from Mr Gibbons that part of the reason for the appointment of an administrator subsequently was the adverse publicity received by the community on the ABC *Lateline* program of 21 June. This is evidenced in correspondence between Mr Gibbons and the Registrar of Aboriginal Corporations, where he indicates very clearly that this was one of the major reasons for having an administrator imposed. There is now ample other evidence that the contrived appearance on the ABC's *Lateline* program was part of a conscious strategy to attack the Mutitjulu community by at least Mr Gibbons and Mr Andrews, and, I fear, the minister's office. We have to ask: did the minister approve of this behaviour and what did he know of this behaviour?

Since Mr Andrews's visit and the subsequent actions taken by Mr Gibbons to wrongly force an administrator on the community, the minister and his department have been caught out and exposed. While the actions of Mr Andrews and Mr Gibbons have been exposed with regard to the Mutitjulu community, we also know that this behaviour is not unusual and that Mr Gibbons in particular, who was accountable only to the minister, is autocratic, patronising and often insulting when dealing with Indigenous people—and I know this from discussions I have had with the community over recent times. One wonders whether this attitude and this behaviour are sanctioned and approved by the minister.

I would also add that earlier in the week, in answer to a question in the parliament about the *Lateline* program, the minister promptly said that this program raised significant issues about the welfare of young children and the concern of the community about sexual exploitation of young children, and accusations were made about a paedophile. We asked the question about Mr Andrews. That question was not answered but what the minister did in support of his position was to recount the assertions of others who appeared on that program. One of those who he cited was a doctor who we now discover was responsible for prescribing Viagra to the paedophile whilst he was in the community. It stands as an open question: when did the minister become aware of this fact? Was it before he answered the question in question time this week, and was he aware of it at the time Mr Andrews appeared on the *Lateline* program?

#### **Ryan Electorate: Schools**

**Mr JOHNSON** (Ryan) (12.46 pm)—Education of course is central to the lives of young Australians and a great education is what all of us here in the Australian parliament would wish for our young people. Of course, the government has different views from those of the opposition as to how we can improve the education of our young people and that is what we debate here in the Australian parliament. Our schools are of course vital hubs in our local communities and they are where young people go not only to learn and grow academically and socially but also to acquire an academic education that seeks to prepare them for their adult lives. At schools they also get the opportunity to interact with other young people of their own age. That is why the physical infrastructure of schools is so important, as are their environmental and social surroundings, so that they are safe and secure.

During the recent recess I had the opportunity of visiting many of the local schools in the Ryan electorate to inform them that they had been successful in receiving funding from the Howard government. Ryan schools received some \$1.6 million in federal government funding as part of the Investing in Our Schools policy program. This is a wonderful Howard government initiative that has given funding to local schools in the Ryan electorate, such as the Indooroopilly State High School, Indooroopilly Primary School, Jamboree Heights State School, Jindalee State School, the Gap State School and Rainworth State School, which I visited amongst others in the Ryan electorate.

These schools have benefited, as I said, from some \$1.6 million of funding and it has gone to some wonderful causes in those schools. Let me give some examples. Chapel Hill State School received the full amount possible of \$150,000 for the completion of shade structures, classroom and play equipment. Indooroopilly State School received some \$21,000 for its ICT upgrade plus an additional \$128,610 for library extension—amounting also to the full complement of \$150,000. Indooroopilly State School also received the full amount of \$150,000 for playground upgrades, and the list continues. I very proudly visited Jamboree Heights State School. They received \$145,000 for shade structures, ground and playground upgrades. Jindalee State School received \$72,000 for an ICT upgrade. I also note that Kenmore State High School was very pleased with its \$150,000 for library air conditioning. A model state school in my electorate of Ryan received \$51,000 for air-conditioning facilities. Where really the state Labor government should be investing in air conditioning, the Howard government has come to the rescue. Also, the Mount Ommaney Special School received almost the full amount of \$150,000 for its play equipment program.

A very worthwhile initiative has been the library and ICT extension at Payne Road State School, worth \$146,000. At Rainworth State School—at which, as I mentioned, I had the opportunity of visiting and meeting the students—the music instruments and resources centre that they are going to spend their \$45,000 on was warmly welcomed and complimented by the principal and the deputy principal and the school students that I had the pleasure of meeting and chatting to.

At The Gap State High School and The Gap State School in the wonderful, family-friendly suburb of The Gap, they received \$78,000 and \$124,000 respectively, for shade structures and hall refurbishment in the case of the high school, and for a library and music facilities extension in the case of The Gap State School. Upper Brookfield State School received \$55,000 from the Investing in Our Schools program for shade structures, airconditioning and water filters. And again the Howard government has come to the rescue where the Beattie Labor government should be investing in these schools.

I want to commend the Investing in Our Schools program to the people of Ryan, to the parents of Ryan. It has provided and will provide some \$700 million over 2005-08 to fund state school capital projects that have been identified and prioritised by local school communities. So this program is a result of the stakeholders right on the ground floor, right at the school hub, deciding where this money should be spent, rather than some bureaucrats in Canberra or in George Street in Brisbane. All members of the government very strongly encourage greater funding for their local schools, as I do as the member for Ryan. *(Time expired)*

### Warnervale Community Centre

**Ms HALL** (Shortland) (12.51 pm)—I would like to bring to the attention of the House the plight of the Warnervale Community Centre, which is situated within the electorate of Dobell but is used by constituents living in Shortland electorate. The plight of this centre has been brought to my attention by one of my constituents. The Warnervale Community Centre is currently being forced to use its emergency reserves because, while funding was given to the centre just prior to the last federal election, the federal government has now refused to re-fund the centre.

I think it is only fair that I go through a little bit of the history of the centre. It was initially funded under the Family First program in New South Wales for four years and, as I just mentioned, just prior to the last federal election, the Prime Minister arrived on the Central Coast with his entourage, and announced ongoing funding for the next two years—note: half the time for which it was funded previously by the state government. Yet, on 30 June this year, the funding ran out.

What has happened? Nothing. The member for Dobell has said in the media that he has approached the Minister for Community Services and, at the beginning of July, there was a report in the paper saying that the centre would probably be reprieved because the member for Dobell had managed to secure 12 months funding under a pilot program. Well, this is nearly two months later and there has been no more news of that pilot program funding.

The centre is a vital resource for the community on the Central Coast. It services somewhere in the vicinity of 8,000 families and those families rely on it to ensure that they get the services that they need. The centre provides a wide variety of services and it plays a very vital role in this developing community. It also provides social ties in the area, in an area where there is very little infrastructure—one general store and a cafe. I believe that if this centre were to close down it would leave a real gap in the community.

I have a photo of the member for Dobell at the centre earlier this year. It is actually a beautiful photo of him with a number of children. I would argue very strongly that the children in the photo with the member for Dobell still need this service. I think it is very sad that this centre is in the situation that it is in today. As the member for Dobell has not made any further announcements about this pilot program, I am giving an undertaking to the people of the Central Coast that I will get in there and fight for them. I will write to the Minister for Community Services and maybe he will really consider the need for and the issues surrounding this centre. It is in an area of some disadvantage and definitely of isolation. I have to congratulate Councillor Warren Welham of Wyong council because he has been out there fighting the battle for this community centre. He has been arguing that the Warnervale community must be provided with ongoing funding for this service, highlighting the fact that the federal government has a large surplus and saying that it is important that this surplus be utilised for communities like that of Warnervale.

I say to the Prime Minister: it is not good enough just to arrive on the Central Coast when there is an election looming or to make these announcements on the eve of an election. The people of the Central Coast rely on this centre. It needs to be funded on an ongoing basis. I call on the minister and the Prime Minister to support the centre and at least match the state government by funding the centre for four years. (*Time expired*)

**Stirling Electorate: Balcatta Soccer Club and Stirling Lions Soccer Club**

**Mr KEENAN** (Stirling) (12.56 pm)—I will certainly be passing on the member for Shortland's comments to the member for Dobell. They will not find a better champion on the Central Coast than he has proven to be as their member. I do not doubt that he will be responding in due course.

I would like to take this opportunity to congratulate and acknowledge the fantastic contribution that my local soccer clubs, Balcatta Soccer Club and Stirling Lions Soccer Club, make to my local community in the electorate of Stirling. These two clubs, along with many other sporting clubs across the electorate, do a tremendous job in keeping our young people active, healthy and motivated, and, as well, in bringing the different ethnic communities together. Young players at both clubs learn important social skills, such as how to work together in a group and how to be a productive member of a team. They also learn about sportsmanship and about how to deal with success and failure or winning and losing—something which the opposition could also use a few lessons on.

Balcatta Soccer Club has enjoyed much success over the years, and I would like to take this opportunity to congratulate their under-14 Junior Premier League division 1 team on being named last season's champions under the guidance of coach Mark Gillians and assistant coach Salvador Bravo. Well done! I would also like to congratulate the club president—and a good friend of mine—Mr Pat Luca, on making the progressive decision to open up the club to both boys and girls, giving all young people the chance to play in the Junior Premier League. The club was formed in August 1977 after a group of friends who would kick a soccer ball around the local park at the St Lawrence church on Main Street, Balcatta, suddenly found themselves with a growing number of players and spectators. A committee was formed with a majority of members originally from a small town in Sicily called Ucria. They chose to name the club after a landmark of their native land—the volcano Etna. With preparations complete for their entry into the Soccer Federation of Western Australia, they named their club the Balcatta Etna Soccer Club.

Stirling Lions Soccer Club, now under the leadership of president Don Evans, was started by Stirling's Macedonian community in the late 1970s and was known as West Perth Macedonia. Over the years the club has been through a number of name changes, eventually—in 1999—changing it to the current name, Stirling Lions Soccer Club, so they could embrace the whole community of Stirling. The club has produced three Australian representatives including Robert Zabica, who played in the 1994 World Cup qualifier against Diego Maradona's Argentina in front of 80,000 spectators; Stan Lazaridis, formerly with West Ham and who has represented Australia on a number of occasions; and Troy Halpin, who has represented Perth Glory and Australia. With numerous league titles and cup wins, it is understandable why the club prides itself on its many achievements.

But the greatest achievement of both these clubs is the important part that they play within the community of Stirling in bringing friends and families together and creating a real spirit of pride in the area. I believe that competition is important for children to learn important values, such as sportsmanship and fair play. Competition not only teaches young people to cope with sport but also helps them to deal with the inevitable ups and downs that life itself will ultimately offer.



Not everyone has an easy start in life so, whilst I am on my feet and have this opportunity, I would like to acknowledge the fantastic work that Amy Benson and her team at the Edmund Rice Centre in Mirrabooka do with young people in sport. As the multicultural sport and recreation officer for the centre, Amy has put together a sports development program for young refugees and migrants as well as for our local Aboriginal community. This program provides these young people with sporting opportunities that may not normally be available to them. It works to build their confidence and to create a sense of community. For our new and youngest refugees and migrants, sport is a great introduction to the Australian way of life and will help enormously in their integration within their school and with their fellow classmates.

The ultimate goal of the sports development program is to see these young people gaining the confidence and skills to eventually join other local clubs such as Balcatta Soccer Club and Stirling Lions Soccer Club. This participation also gives their friends and families the chance to become part of the wider community and provides one of the keys to their future prosperity and to local harmony. I once again congratulate Amy Benson and the Edmund Rice Centre, Pat Luca and Balcatta Soccer Club, Don Evans and Stirling Lions Soccer Club as well as the many hardworking volunteers who work with them to make this contribution to the Stirling community. *(Time expired)*

**Main Committee adjourned at 1.02 pm**

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**QUESTIONS IN WRITING****Child Support Agency****(Question No. 256)**

**Mr Danby** asked the Minister for Human Services, in writing, on 2 December 2004:

How many Child Support Agency clients currently reside in (a) Victoria, (b) the electoral division of Melbourne Ports, and (c) the postcode area (i) 3161, (ii) 3162, (iii) 3163, (iv) 3182, (v) 3183, (vi) 3184, (vii) 3185, (viii) 3205, (ix) 3206, and (x) 3207.

**Mr Hockey**—The answer to the honourable member's question is as follows:

Data on CSA clients by electorate can be found at: <http://www.csa.gov.au/agency/elect.htm>

To prepare this answer it has taken approximately 1 hour at an estimated cost of \$63.

**Child Support Agency****(Question No. 1451)**

**Mr Hayes** asked the Minister for Human Services, in writing, on 25 May 2005:

How many Child Support Agency clients currently reside in (a) New South Wales, (b) the electoral division of Werriwa, and (c) the postcode area (i) 2167, (ii) 2168, (iii) 2170, (iv) 2171, (v) 2174, (vi) 2178, (vii) 2179, (viii) 2560, (ix) 2564, (x) 2565, and (xi) 2566.

**Mr Hockey**—The answer to the honourable member's question is as follows:

Data on CSA clients by electorate can be found at: <http://www.csa.gov.au/agency/elect.htm>

To prepare this answer it has taken approximately 1 hour at an estimated cost of \$63.

**Recruitment Agencies****(Question No. 1778)**

**Mr Bowen** asked the Minister for Human Services, in writing, on 23 June 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 Hockey**—The answer to the honourable member's question is as follows:

The Department of Human Services was established on 26 October 2004.

**Core Department**

- (1) (a) N/A  
(b) N/A  
(c) N/A  
(d) No recruitment agencies have been used in the period 26/10/2004 to 31/12/2004.
- (2) N/A

**Australian Hearing**

- (1) (a) N/A  
(b) N/A  
(c) N/A

(d) \$92,033.77

(2) Recruitment agencies used by Australian Hearing were:

Spherion Recruitment  
Stopgap Pty Ltd  
Tamworth Employment Services  
The Credit Recruitment Agency  
The Employment Agency  
TMP Worldwide eResourcing  
Top Office Personnel  
Townsville Personnel  
VicWorks Personnel Pty Ltd  
Workzone Pty Ltd  
Your Employment Solutions  
Wizard Personnel

Centrelink

(1) (a) N/A

(b) N/A

(c) N/A

(d) \$161,129.74

(2) Recruitment agencies used by Centrelink were:

Challenge Recruitment Ltd  
DFP Recruitment Services  
Forstaff Australia Pty Ltd  
Hansen and Searson Executive Search  
Hays Personnel Services (Australia) Pty Ltd  
Hoban Recruitment  
Hudson Global Resources (Aust) Pty Ltd  
Icon Recruitment Pty Ltd  
IPA Personnel Pty Ltd  
JML Australia Pty Ltd  
Kelly Services (Australia) Ltd  
Manpower Services (Australia) Pty Ltd  
Peoplebank Recruitment Pty Ltd  
Precruitment Holdings Pty Ltd  
Regent Recruitment  
Ross Human Directions Ltd  
Select Australasia Pty Ltd  
Spherion Recruitment Solutions Pty Ltd

Child Support Agency

- (1) (a) N/A  
(b) N/A  
(c) N/A  
(d) \$681,173.00
- (2) Recruitment agencies used by the Child Support Agency were:  
Frontier Group Australia  
Forstaff Australia  
Greythorn Pty Ltd  
Green and Green Group Pty Ltd  
Effective People Pty Ltd  
The Public Affairs Recruitment Co

CRS Australia

- (1) (a) N/A  
(b) N/A  
(c) N/A  
(d) No recruitment agencies have been used in the period 26/10/2004 to 31/12/2004.
- (2) N/A

Health Services Australia

- (1) (a) N/A  
(b) N/A  
(c) N/A  
(d) \$157,748.00
- (2) Recruitment agencies used by Health Services Australia were:  
Careers Connection  
Hays Personnel Services (Australia) Pty Ltd  
Highland Partners Pty Ltd  
Integral HRM Pty Ltd  
IPA Personnel Pty Ltd  
Manpower Services (Aust) Pty Ltd  
Network Recruitment Services Pty Ltd  
Orix Australia  
Pegasus Global Pty Ltd  
Professional Careers Australia Pty Ltd  
Select Australasia Pty Ltd  
Spherion Recruitment Pty Ltd  
Staffing & Office Solutions Pty Ltd

Medicare Australia

- (1) (a) N/A
-

- (b) N/A
  - (c) N/A
  - (d) \$128,382
- (2) Recruitment agencies used by Medicare Australia were:
- Action James Pty Ltd
  - Coopers Recruitment
  - Drake Australia Pty Ltd
  - Hays Personnel Services (Australia)
  - Hudson Global Resources (Aust) P/L
  - IPA Personnel Pty Ltd
  - Kowalski Recruitment
  - Network Recruitment Services
  - Recruitment Solutions Limited
  - RecruitPlus ACT
  - The Green & Green Group Pty Ltd
  - The Public Affairs Recruitment

#### **Commonwealth Funded Programs**

#### **(Question No. 2499)**

**Ms Hoare** asked the Attorney-General, in writing, on 13 October 2005:

- (1) Does the Minister's department administer any Commonwealth funded programs to which community organisations, businesses or individuals in the electoral division of Charlton can apply for funding; if so, what are the programs.
- (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, if so, what were the costs of each advertisement.
- (3) In respect of 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) In respect of 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 Charlton received funding in (i) 2003, and (ii) 2004 and what was the name and address of each recipient.

**Mr Ruddock**—The answer to the honourable member's question is as follows:

#### **Grants to Australian Organisations Program**

- (1) The Attorney-General's Department administers grant funding under the Grants to Australian Organisations Program (GAOP).
- (2) The GAOP is not advertised.
- (3) (a) The GAOP is a discretionary grants program. Grants are made to Australian organisations to assist them with projects or activities focussed on the pursuit of an equitable and accessible system of federal civil justice.  
(b) As Attorney-General, I approve grants under the GAOP.
- (4) No funding was received by any community organisation, business or individual within the electoral division of Charlton under the GAOP in the 2003–04 financial year.

**The Family Relationship Services Program**

- (1) The Attorney-General's Department funds services under the Family Relationship Services Program (FRSP). The sub-programs funded by the Attorney-General's Department under this program are Family Relationship Counselling (funded jointly with the Department of Families, Community Services and Indigenous Affairs), Family Dispute Resolution, Children's Contact Services and Parenting Orders Program.
- (2) (a) Requests for applications for FRSP funding are advertised in national, metropolitan, State-wide and regional and Indigenous-specific newspapers as well as on Australian Government websites.  
(b) FRSP newspaper advertisements are paid advertisements. The latest round of advertising was undertaken in October 2005 requesting applications for funding for the first round of the new Family Relationship Centres and other new FRSP services as part of the family law reforms. Advertisements were placed in national, metropolitan, State-wide, regional and Indigenous-specific newspapers. The estimated total cost for the latest round of nationwide advertising is \$44,743.
- (3) (a) The purpose of the FRSP is to contribute to the development of an Australia in which:
  - children, young people and adults in all their diversity are enabled to develop and sustain safe, supportive and nurturing family relationships; and
  - the emotional, social and economic costs associated with disruption to family relationships are minimised.(b) The Minister for Families, Community Services and Indigenous Affairs and I are jointly responsible for allocating funds for family relationship counselling under the FRSP. As Attorney-General, I am responsible for the remainder of FRSP referred to in part (1).
- (4) No funding was received by any community organisation, business or individual within the electoral division of Charlton under the FRSP in the 2003–04 financial year. Residents of that electoral division are able to access services under the FRSP at neighbouring locations (such as Newcastle).

**Legal Aid Program**

- (1) The Attorney-General's Department administers the Commonwealth Legal Aid Program through which the Legal Aid Commission of New South Wales is funded to provide legal assistance for matters arising under Commonwealth laws. The Legal Aid Commission of New South Wales has regional offices located at 51–55 Bolton Street, Newcastle NSW 2300 and Level 2, 37 William Street, Gosford NSW 2250, through which individuals and organisations in the electoral division of Charlton can apply for legal assistance.
- (2) The Attorney-General's Department does not advertise the Commonwealth Legal Aid Program. The Legal Aid Commission of New South Wales may advertise its services from time to time.
- (3) (a) The purpose of the Commonwealth Legal Aid Program is to ensure disadvantaged persons are able to access legal services for matters arising under Commonwealth laws.  
(b) The Legal Aid Commission of New South Wales is responsible for providing legal assistance services for matters arising under Commonwealth laws under an agreement with the Commonwealth. The agreement provides for the provision of a range of services including grants of aid for legal representation.
- (4) Some individuals or organisations located in the electorate of Charlton may have received grants of legal assistance for matters arising under Commonwealth laws. However privacy guidelines prevent the disclosure of information in relation to the recipients of legal aid grants and statistical information on the provision of grants of legal assistance is not collected on the basis of electoral divisions.

**Financial Assistance Program**

The Attorney-General's Department administers schemes for the provision of financial assistance for legal and associated costs. These schemes exist to provide legal or financial assistance in cases where legal aid is not generally available from legal aid commissions and where the circumstances give rise to a special Commonwealth interest. People and organisations in the electoral division of Charlton can apply for assistance directly from the Australian Government under these schemes. It has been a long-standing practice, endorsed by successive Attorneys-General, to treat applications for financial assistance in confidence and not to provide information in relation to individual applications.

**Community Legal Services Program**

- (1) The Commonwealth Community Legal Services Program is a national program which provides funding to community organisations for the provision of legal and related services to those in need. However, funding under the program is currently fully committed on a recurrent basis.
- (2) When new funding becomes available, the allocation of funds to any new community legal services is undertaken through a competitive tendering process following a needs-based assessment of possible locations. When such funding opportunities arise, paid advertisements are placed in the primary State newspapers and relevant local newspapers.
- (3)
  - (a) The purpose of the Commonwealth Community Legal Services Program is to provide free and accessible legal information and/or advice to disadvantaged members of the community who are not eligible for legal aid and who cannot afford a private solicitor.
  - (b) The Attorney-General's Department administers funding to community legal centres under the Commonwealth Community Legal Services Program. The Department provides recommendations to me on the allocation of any new funding under the program.
- (4) There are no community legal centres funded by the Community Legal Services Program in the electoral division of Charlton.

**Indigenous Law and Justice Advocacy Program**

- (1) The Attorney-General's Department administers grant funding under the Indigenous Law and Justice Advocacy Program. These funds are available for advocacy projects and legal test cases that would have a significant impact on the rights of Indigenous Australians.
- (2)
  - (a) Public advertisements are placed by the Office of Indigenous Policy Coordination towards the end of each calendar year for all Commonwealth grant-funded programs for Indigenous Australians. Such advertisements appear in national, State-wide, regional and Indigenous-specific newspapers.
  - (b) The exact cost of this advertising cannot readily be identified from other costs that were borne by the Office of Indigenous Policy Coordination in relation to the program.
- (3)
  - (a) The purpose of the Indigenous Law and Justice Advocacy Program is to support Aboriginal Justice Advisory Committees, Deaths in Custody Watch Committees and relevant research and education projects.
  - (b) I have appointed a delegate, who is responsible for allocating funds in accordance with program guidelines. These guidelines are available on the Department's website.
- (4) Under the Indigenous Law and Justice Advocacy Program, Yulawirri Nurai Indigenous Association received funding of \$80,040 in 2003–04 and \$95,040 in 2004–05. The Yulawirri Nurai Indigenous Association is located at 43 Dora Street, Morisset NSW 2264.

**Indigenous Prevention, Diversion, Rehabilitation and Restorative Justice Program**

- (1) The Attorney-General's Department administers grant funding under the Indigenous Prevention, Diversion, Rehabilitation and Restorative Justice Program. Funding supports diversion, prevention,

education and rehabilitation projects to help reduce Indigenous people's adverse contact with the justice system.

- (2) (a) Public advertisements are placed by the Office of Indigenous Policy Coordination towards the end of each calendar year for all Commonwealth grant-funded programs for Indigenous Australians. Such advertisements appear in national, State-wide, regional and Indigenous-specific newspapers.
- (b) I have appointed a delegate, who is responsible for allocating funds in accordance with program guidelines. These guidelines are available on the Department's website.
- (3) (a) The Indigenous Prevention, Diversion, Rehabilitation and Restorative Justice Program supports prevention, diversion, rehabilitation and restorative justice related projects designed to help reduce Indigenous people's adverse contact with the justice system with emphasis placed upon needs of children and young people, so that any cycles of offending can be disrupted as early as possible given the rapid growth of the young Indigenous population.
- (b) I have appointed a delegate, who is responsible for allocating funds in accordance with program guidelines. These guidelines are available on the Department's website.
- (4) Two community organisations were funded under the Indigenous Prevention, Diversion, Rehabilitation and Restorative Justice Program in the electoral division of Charlton:  
Yulawirri Nurai Indigenous Association received funding of \$8,000 in 2003–04 and \$10,000 in 2004–05. The Yulawirri Nurai Indigenous Association is located at 43 Dora Street, Morisset NSW 2264;  
Araluen Aboriginal Corporation received funding of \$35,568 in 2003–04 and \$40,000 in 2004–05. The Araluen Aboriginal Corporation is located at 31 Railway Parade, Blackalls Park NSW 2283.

#### **Legal Aid for Indigenous Australians**

- (1) The Attorney-General's Department administers the Indigenous Legal Aid Program. Services in the electoral division of Charlton are currently provided under a grant arrangement with Many Rivers Administrative and Legal Services Limited, based in Grafton. From 1 July 2006, a provider selected through an open tender process will provide legal aid services to Indigenous people in the electoral division of Charlton.
- (2) (a) The request for tender to provide Indigenous legal aid services for New South Wales, the Australian Capital Territory and the Jervis Bay Territory was advertised in late January 2006 in the Australian, the Sydney Morning Herald, the National Indigenous Times and the Canberra Times.
- (b) The cost of that advertising was \$10,841.45.
- (3) (a) The Indigenous Legal Aid Program funds the provision of culturally appropriate legal aid services for Indigenous Australians in accordance with the priorities and requirements contained in the policy directions.
- (b) Tenders are assessed in accordance with the tender assessment criteria contained in the request for tender. The decision on the successful tenderer is made by the Secretary, Attorney-General's Department.
- (4) Individuals or organisations in the electoral division of Charlton may receive legal assistance from an Indigenous legal aid service provider if they meet the eligibility requirements for that assistance. Privacy guidelines prevent the disclosure of information in relation to the recipients of legal aid grants and statistical information on the provision of grants of legal assistance is not collected on the basis of electoral divisions.



**National Community Crime Prevention Programme**

- (1) The Attorney-General's Department administers funding for grants under the National Community Crime Prevention Programme (NCCPP) for which eligible community organisations can apply for funding in the electoral division of Charlton.
- (2) (a) The National Community Crime Prevention Programme is advertised in major national, metropolitan, regional and Indigenous-specific newspapers and a variety of electronic government publications.  
(b) The cost of advertising the last funding round for the NCCPP in late 2005 was \$56,601.00.
- (3) (a) The purpose of the National Community Crime Prevention Programme is to identify and promote innovative ways of reducing and preventing crime and the fear of crime.  
(b) The Minister for Justice and Customs is responsible for allocating funds.
- (4) No funding was received by any community organisation, business or individual within the electoral division of Charlton under the NCCPP in 2003 or 2004.

**Emergency Management Australia**

- (1) Through Emergency Management Australia (EMA), the Attorney-General's Department administers the following funded programs for which community organisations, businesses or individuals in the electoral division of Charlton can apply for funding:
  - the Local Grants Scheme (LGS)
  - the National Emergency Volunteer Support Fund (NEVSF) and
  - the EMA Projects Program which was renamed EMA Research and Innovation Program (R&I) in the 2004–05 financial year.

- (2) The LGS and NEVSF are advertised extensively across Australia in national, metropolitan, regional and local newspapers as well as local government electronic newsletters. The cost of advertising for the 2005–06 funding round was \$65,144.

The R&I Program is advertised:

- in the Australian Journal of Emergency Management in the November issue
- on the EMA website at [www.ema.gov.au](http://www.ema.gov.au)
- on the Grantslink website maintained by the Department of Transport and Regional Services and
- in all training materials used at the EMA Institute at Mount Macedon.

In addition, email advice of the R&I Program is provided to State and Territory Emergency Management Executive Officers for dissemination within their jurisdictions, to peak emergency management agencies, universities and to previous applicants. A list of interested people and agencies is also maintained following direct inquiries and they are also advised by email when applications open. These sources do not require payment for advertising and no advertising budget is included in the program.

- (3) The LGS provides funding to develop and implement emergency risk management initiatives, enhance protective measures for critical infrastructure and provide emergency management and security awareness training for local government staff. The NEVSF provides grants for projects that boost the recruitment, retention and training of volunteer organisations at the frontline of emergency management. The R&I program provides grants for projects that provide national leadership in generating knowledge and inspiring innovation in emergency management practice.  
(b) As Attorney-General, I approve grants under the LGS and NEVSF. Emergency Management Australia (EMA) is responsible for preparation and management of funding agreements with

successful applicants. The Director General Emergency Management Australia approves grants made under the R&I program.

- (4) No funding was received by any community organisation, business or individual within the electoral division of Charlton under the LSG, NEVSF or R&I program in 2003 or 2004.

### Consultancy Services

#### (Question No. 3266)

**Mr Bowen** asked the Minister for Health and Ageing, in writing, on 29 March 2006:

- (1) Did the department or any agency in the Minister's portfolio engage the services of a public relations, public affairs or media management consultancy in 2005; if so, what was the (a) purpose and (b) cost of each engagement.
- (2) What was the name and postal address of each company engaged for these purposes.
- (3) For 2005, what sum was spent on public relations, public affairs or media management consultancies by the department and each agency in the Minister's portfolio.

**Mr Abbott**—The answer to the honourable member's question is as follows:

- (1) to (3) Refer to the following table

#### Department of Health and Ageing

(1) (a) Purpose	(1) (b) Cost (GST inclusive)	(2) Name/Address	(3) Total cost in 2005 (GST inclusive)
To promote the Australian Alcohol Guidelines, including to focus test messages and images used in the promotion of the Australian Alcohol Guidelines	\$1.2M	Professional Public Relations 118 Victoria Road Rozelle NSW 2039	\$1.2M

#### Portfolio Agencies

Portfolio Agency	(1) (a) Purpose	(1) (b) Cost (GST inclusive)	(2) Name/Address	(3) Total cost in 2005 (GST inclusive)
National Institute of Clinical Studies (NICS)	Public affairs consultancy: To conduct a relationship building program	\$21,600	Client Solutions Pty Ltd PO Box 158 Deakin West ACT 2600	\$21,600
Private Health Insurance Administration Council (PHIAC)	Media relations and media monitoring	\$24,531	Phillips Group PO Box 105 Fortitude Valley QLD 4006	\$24,531

### Recruitment Agencies

#### (Question No. 3285)

**Mr Bowen** asked the Minister for Health and Ageing, in writing, on 29 March 2006:

- (1) Will the Minister provide a list of the recruitment agencies which were used by the department and each agency in the Minister's portfolio in 2005.
- (2) What sum was paid to each agency identified in (1).
- (3) For 2005, what sum was spent on recruitment agencies by the department and each agency in the Minister's portfolio.

**Mr Abbott**—The answer to the honourable member's question is as follows:

- (1) and (2) A list of recruitment agencies used, and the sum paid to each, for the 2005 calendar year is provided as follows:

Attachment A – Department of Health and Ageing

Attachment B – Portfolio agencies

- (3)

Agency	Amount (\$) spent on recruitment agencies in 2005
Department of Health and Ageing	\$897,058
Australian Institute of Health and Welfare	\$171,300
Food Standards Australia New Zealand	\$22,914
General Practice Education and Training Ltd	\$208,434
National Blood Authority	\$68,221
Private Health Insurance Administration Council	\$85,091
Aged Care Standards & Accreditation Agency Ltd	\$58,381
Total	\$1,511,399

The above amounts are inclusive of labour hire costs, agency finder fees and scribing services but they do not include the salaries of the recruited staff.

**Attachment A**

Recruitment Agencies used by the Department of Health and Ageing in 2005 and the sum paid to each Agency

Adecco Australia	\$ 4,223.29
Avant Pty Ltd	\$ 2,200.00
Capital Recruitment Services Pty Ltd	\$ 13,602.89
Careers Unlimited	\$ 40,258.32
Cox Purtell Staffing Services	\$ 862.40
Dewhurst Personnel Services	\$ 12,986.40
Drake Australia Pty Ltd	\$ 10,549.00
Effective People Pty Ltd	\$ 65,798.59
Forstaff Australia Pty Ltd	\$ 2,200.00
Frontier Group Australia Pty Ltd	\$ 22,228.20
Green and Green Group	\$ 5,564.74
Hansen & Searson Executive Search	\$ 302,610.50
Hays Personnel Services Aust	\$ 38,526.33
Hudson Global Resources Aust	\$ 81,465.13
Informed Sources Pty Ltd	\$ 1,287.00
Kowalski Recruitment Pty Ltd	\$ 11,686.58
Manpower Services Aust Pty Ltd	\$ 26,534.12
Peoplebank Australia Ltd	\$ 34,669.25
Professional Careers Australia	\$ 31,905.23
Public Affairs Recruitment Company	\$ 22,023.72
Quadrat Solutions	\$ 9,190.85
Recruitment Management Co Pty Ltd	\$ 17,798.35
Ross Human Directions Limited	\$ 6,509.13
Select Australasia	\$ 7,150.00
Skilled Engineering	\$ 8,195.00
Staffing and Office Solutions	\$ 14,246.49

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Recruitment Agencies used by the Department of Health and Ageing in 2005 and the sum paid to each Agency

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Teamwork Human Resources Services	\$ 23,262.16
Tonvia Pty Ltd	\$ 23,948.10
Verossity Pty Ltd	\$ 44,657.86
Westaff (Australia) Pty Ltd	\$ 940.50
Wizard Personnel and Office Services	\$ 9,978.27
Total	\$ 897,058.40

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The above amounts are inclusive of labour hire costs, agency finder fees and scribing services, but they do not include the salaries of the recruited staff.

**Attachment B**

Recruitment Agencies used by the Portfolio agencies in 2005 and the sum paid to each agency

Portfolio Agency	(1) List of recruitment agencies	(2) Sum paid to agency	(3) Total sum spent on recruitment agencies in 2005	
National Blood Authority	Hudsons Global Resources	\$27,700	\$68,221	
	Octopus Staffing and Recruitment	\$9,093		
	Professional Careers Australia	\$10,225		
	United Recruitment	\$21,203		
Private Health Insurance Administration Council	Hays Personnel	\$85,091	\$85,091	
General Practice Education and Training Ltd	Professional Careers Australia	\$48,005	\$208,434	
	Hudson	\$132,929		
Australian Institute of Health and Welfare	Hanson and Searson	\$27,500	\$171,300	
	Informed Sources Pty Ltd	\$7,372		
	Key People	\$77,160		
	Staffing and Office Solutions	\$50,718		
	The Green and Green Group	\$10,596		
	The One Umbrella	\$25,454		
Food Standards Australia New Zealand	Westaff	\$14,461	\$22,914	
	Effective People	\$8,162		
	Quadrat	\$291		
Aged Care Standards and Accreditation Agency Ltd	Micropay Pty Ltd	\$9,350	\$58,381	
	Talent Partners Hansen Searson	\$16,732		
	Manpower Services Aust Pty	\$2,750		
	DFP Recruitment Services Pty Ltd	\$2,237		
	Waite Group	\$10,601		
	Olivier Group Pty Ltd	\$10,780		
	Hudson Global Resources (Aust) Pty Ltd	\$5,931		
Total			\$614,341	

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**Opinion Polls**

**(Question No. 3304)**

**Mr Bowen** asked the Minister for Health and Ageing, in writing, on 29 March 2006:

- (1) Did the department or any agency in the Minister's portfolio conduct or commission an opinion poll, focus group, or market research in 2005; 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 identified in (1).
- (3) For 2005, what sum was spent on conducting or commissioning opinion polls, focus groups or market research surveys by the department and each agency in the Minister's portfolio.

**Mr Abbott**—The answer to the honourable member's question is as follows:

- (1) to (3) Yes. Refer to Attachment A

Department of Health and Ageing

**Attachment A**

(1) (a) Purpose	(1) (b) Cost (Incl GST)	(2) Company Name	(2) Company Postal Address	(3) Amount that was expended in 2005
Alcohol advertising Exposure Data to support the Review for the Alcoholic Beverage Advertising Code.	\$5,350	ACNielsen Research Pty Ltd	ACNielsen Centre 11 Talavera Road Macquarie Park NSW 2113	\$5,350
The purpose of the Aged Care GP Panels Initiative Survey 2004 is to collect information from aged care homes re GP visits to aged care homes' quality improvement activities. The 2004 survey was undertaken to collect baseline information.	\$54,759	Australian Healthcare Associates Vic	PO Box 1108 Carlton VIC 3053	\$27,379
The purpose of the BEACH Survey is to collect patient consultation information by participating GPs' to report on problems managed, medication referral and other aspects of Primary Care.	\$194,649	Australian Institute of Health and Welfare ACT	GPO Box 570 Canberra ACT 2601	\$194,649
Developmental research for bird (pandemic) influenza.	\$139,128	Blue Moon Research & Planning Pty Ltd	Level 2 71-73 Chandos Street St Leonards NSW 2065	\$314,145
Qualitative research for Varicella and IPV.	\$70,000	Blue Moon Research & Planning Pty Ltd	Level 2 71-73 Chandos Street St Leonards NSW 2065	
National Illicit Drugs Youth Campaign Concept Testing Research.	\$105,017	Blue Moon Research & Planning Pty Ltd	Level 2 71-73 Chandos Street St Leonards NSW 2065	
Market scan of existing products and platforms for biosecurity surveillance utilised and available internationally.	\$41,120	CHIK Services Pty Ltd	608/97-99 John Whiteway Dr Gosford NSW 2250	\$7,920

(1) (a) Purpose	(1) (b) Cost (Incl GST)	(2) Company Name	(2) Company Postal Address	(3) Amount that was expended in 2005
IT Readiness Survey of the Aged Care Sector	\$123,914	CHIK Services Pty Ltd	608/97-99 John Whiteway Dr Gosford NSW 2250	\$24,783
Undertake recruitment, administration and remuneration for the running of two focus groups and a number of in depth interviews with overseas trained doctors and employers of overseas trained doctors	\$24,451	Colmar Brunton Social Research	PO BOX 2212 Turner ACT 2601	\$24,451
Evaluation of 2004 Croc Festival	\$27,023	Cultural Perspectives Pty Ltd	Level 1 93 Norton Street Leichhardt NSW 2040	\$27,023
Initial public consultation for input to project on increasing cultural competency for engaging people of culturally and linguistically diverse backgrounds in healthier living – 8 focus groups.	\$4,400 per focus group	Cultural Perspectives Pty Ltd	Level 1 93 Norton Street Leichhardt NSW 2040	\$35,200
To conduct a literature review and a qualitative research study on the current attitudes of youth towards smoking; examination of the impact of parental attitudes on the uptake of smoking by young people; examination of available interventions to halt the move from youth at risk of tobacco experimentation to dependence; investigation of strategies employed by youth to reduce or cease smoking; and an understanding of the association between youth smoking and cannabis/marijuana.	\$328,757	Eureka Strategic Research Pty Ltd	PO Box 767 Newtown NSW 2042	\$328,757
Evaluation of the communications materials of the Bonded Medical Places Scheme.	\$47,729	Eureka Strategic Research	PO Box 635 Newtown NSW 2042	\$47,729
Evaluation of National Integrated Diabetes Program.	\$175,925	Healthcare Management Advisors	PO Box 10086 Gouger Street Adelaide SA 5000	\$80,047

(1) (a) Purpose	(1) (b) Cost (Incl GST)	(2) Company Name	(2) Company Postal Address	(3) Amount that was expended in 2005
Exploratory market research to determine the market and preferences for an aged care consumer website.	\$122 994	Inside Story Market Research and Knowledge Management	Level 5, 2 Barrack Street, Sydney NSW 2000	\$122 994
Useability, accessibility and user satisfaction testing for an aged care consumer website.	\$98 890	Inside Story Market Research and Knowledge Management	Level 5, 2 Barrack Street, Sydney NSW 2000	\$74 167
Conduct research into how doctors and pharmacists access information from the Schedule of Pharmaceutical Benefits.	\$49,197	Newton Wayman Chong	Level 4 171 Latrobe St Melbourne VIC 3000	\$49,197
Focus testing of Asthma Position Papers and accompanying consumer Brochure	\$25,443	Newton Wayman Chong and Associates	Skipping Girl Place 651 Victoria Street Abbotsford VIC 3067	\$25,443
To conduct market research to assess the viability of a National General Practitioner Vacancy Website	\$41,331	Newton Wayman Chong and Associates	Skipping Girl Place 651 Victoria Street Abbotsford VIC 3067	\$41,331
Review of the Public Health Information Development Unit (PHIDU), University of Adelaide. Activities included: semi-structured interviews; on-line survey; and two focus groups.	\$29,000	Nexus Management Consulting	PO Box 407 Dulwich Hill NSW 2203	\$29,000
National Alcohol Campaign youth survey February 2005.	\$174,961	Roy Morgan Research Pty Ltd (Melbourne)	411 Collins Street Melbourne VIC 3000	\$383,458
National Alcohol Campaign parent survey February 2005.	\$36,897	Roy Morgan Research Pty Ltd (Melbourne)	411 Collins Street Melbourne VIC 3000	
National Pneumococcal Vaccination Campaign Evaluation.	\$171,600	Roy Morgan Research Pty Ltd (Melbourne)	411 Collins Street Melbourne VIC 3000	

(1) (a) Purpose	(1) (b) Cost (Incl GST)	(2) Company Name	(2) Company Postal Address	(3) Amount that was expended in 2005
To seek information on stakeholder awareness and satisfaction with NHMRC advice and information, managing and protecting intellectual property, guidance on ethical issues, engagement with the community, implementation of regulatory systems, governance, information management, and leadership and management.	\$145,503	TNS (Taylor Nelson Sofres)	48 Pyrmont Bridge Rd Pyrmont NSW 2009	\$145,503
Quantitative ad-testing research to support the Review of the Alcoholic Beverage Advertising Code.	\$87,937	TNS Social Research	65 Canberra Avenue Griffith ACT 2603	\$87,937
National Tobacco Survey – November 2005 (Wave 10).	\$59,400	The Social Research Centre Pty Ltd	Level 1 262 Victoria Street North Melbourne VIC 3051	\$436,220
Evaluation of the National Tobacco Campaign - November 2004 survey (Wave 9).	\$36,121	The Social Research Centre Pty Ltd	Level 1 262 Victoria Street North Melbourne VIC 3051	
Evaluation of the National Illicit Drugs Youth Campaign.	\$340,699	The Social Research Centre Pty Ltd	Level 1 262 Victoria Street North Melbourne VIC 3051	
Evaluation of the National Drugs Campaign Sponsorship of the 2005 Rock Eisteddfod Challenge.	\$64,352	Wallis Consulting Pty Ltd	25 King Street Melbourne VIC 3000	\$109,023
Quantitative research with adults to support the Review of the Alcoholic Beverage Advertising Code.	\$44,671	Wallis Consulting Pty Ltd	25 King Street Melbourne VIC 3000	
The CPS is a national survey of consumer experiences, expectations and perspectives of the health and ageing system in Australia.	\$915,918	Wallis Consulting Group Pty Ltd	25 King Street Melbourne VIC 3000	\$915,918
To carry out consumer focus group testing of the information materials communicating changes to the PBS Safety Net and Safety Net 20 Day Rule.	\$25,000	Wendy Bloom & Associates Pty Ltd	2 Keft Avenue Nowra NSW 2541	\$25,000

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QUESTIONS IN WRITING



(1) (a) Purpose	(1) (b) Cost (Incl GST)	(2) Company Name	(2) Company Postal Address	(3) Amount that was expended in 2005
Market research to test the effectiveness and appropriateness of design concepts and written materials for the Healthy for Life program.	\$43,938	Wendy Bloom and Associates Pty Ltd	22/14 Hosking Street BALMAIN NSW 2041	\$43,938
Health Warnings Concept Testing.	\$95,118	Woolcott Research Pty Ltd	40 Gloucester Street The Rocks NSW 2000	\$731,757
Building a Healthy Active Australia - Physical Activity & Nutrition Information Programmes - Go for 2&5 Concept Testing and Baseline Research.	\$226,471	Woolcott Research Pty Ltd	40 Gloucester Street The Rocks NSW 2000	
Building A Healthy Active Australia - Physical Activity & Nutrition Information Programmes - Physical Activity Concept Testing and Follow-up Research.	\$410,168	Woolcott Research Pty Ltd	40 Gloucester Street The Rocks NSW 2000	

#### Portfolio Agencies

Portfolio Agency	(1a) Purpose	(1b) Total cost of each project	(2) Name and postal address	(3) Amount that was expended in 2005
Aged Care Standards and Accreditation Agency Ltd	Market research to assess industry attitudes to the Agency's Better Practice education events.	\$14,952	Customer Contact Centre Pty Ltd PO Box 188 Strawberry Hills NSW 2012	\$14,952
Food Standards Australia New Zealand	Food Label Monitoring Phase 2: Evaluation of food labels collected in 2005 and 2006, assessing them against key labelling elements, and analysing trends compared with baseline label monitoring undertaken in Phase 1.	\$152,845	AgriQuality Australia Pty Ltd 3-5 Lillee Crescent Tullamarine VIC 3043	\$315,209

Portfolio Agency	(1a) Purpose	(1b) Total cost of each project	(2) Name and postal address	(3) Amount that was expended in 2005
	Qualitative research on consumers: Determining the range of consumer views and perceptions of foods that carry nutrition and health claims and how nutrition and health claims on foods might influence a consumer's decision to purchase specific food products.	\$94,424	TNS Social Research Pty Ltd 1/7 Murray Crescent Griffith ACT 2603	
	Quantitative research on consumers' perceptions and use of nutrition, health and related claims food labels: Provision of baseline data on consumer views and behaviour towards foods carrying nutrition and health claims prior to the development of a standard to regulate such claims.	\$79,596	TNS Social Research Pty Ltd 1/7 Murray Crescent Griffith ACT 2603	
	Benchmark Research of the Poultry Industry: FSANZ is currently preparing a new Primary Production and Processing Standard for Poultry Meat for inclusion in Chapter 4 of the Australia New Zealand Food Standards Code, which will see national food regulation extend across all parts of the food chain, including primary production, processing and retail.	\$119,848	Colmar Brunton Social Research Pty Ltd GPO Box 2212 Canberra ACT 2601	
	Code Implementation Survey: The purpose of this study was to evaluate how appropriate the labelling and compositional standards in the new joint Australia New Zealand Food Standards Code were with respect to the needs of three stakeholder groups that were identified in the review of the old Food Standards Code.	\$108,913	Roy Morgan Research Pty Ltd 411 Collins Street Melbourne VIC 3000	

Portfolio Agency	(1a) Purpose	(1b) Total cost of each project	(2) Name and postal address	(3) Amount that was expended in 2005
	Fortification of Foods with Calcium: The purpose of this research was to provide a critical analysis of Newspoll data received by FSANZ as part of a submission to Application A424 – Fortification of Foods with Calcium, and conduct a limited literature review.	\$15,290	TNS Social Research Pty Ltd 1/7 Murray Crescent Griffith ACT 2603	
General Practice Education and Training Ltd	Ascertaining career attitudes of junior doctors for use in marketing and recruitment campaigns	\$24,199	Piazza Consulting Pty Ltd PO Box 575 Woden ACT 2606	\$24,199
National Institute of Clinical Studies Ltd	Focus group study on barriers to influenza vaccination in general practice	\$45,034	UNSW Research Centre for Primary Health Care and Equity c/o School of Public Health and Community Medicine University of NSW Sydney NSW 2052	\$22,517

\* Where the total amount expended in 2005 does not equal the total project cost, the project has spanned across more than one calendar year.

### Child Care

#### (Question No. 3677)

**Ms Plibersek** asked the Minister for Health and Ageing, in writing, on 19 June 2006:

- (1) Do any agencies in the Minister's portfolio offer childcare to employees; if so, which agencies.
- (2) In respect of agencies that offer childcare, (a) is the childcare (i) long day care, (ii) outside school hours care, or (iii) another type of care, (b) is the childcare facility located at the agency's premises; if so, (i) what is the maximum capacity of the childcare facility, (ii) is enrolment at the facility available to children whose parents are not employees of the agency, and (iii) do the children of agency employees receive preferential enrolment over the children of non-employees; if so, what are the provisions of the preference rule; and (c) will the Minister provide a copy of the information sheet given to employees seeking employer assistance with childcare.
- (3) Are employees given the option of salary-sacrificing childcare offered by the agency.
- (4) How many employees within each of the Minister's portfolio agencies have made salary-sacrifice arrangements with the employing agency for childcare expenses.
- (5) In respect of the employees identified in the response to part (5), how many use on site-childcare.
- (6) Do any of the Minister's portfolio agencies have salary-sacrifice agreements relating to childcare with employees who do not use the on-site childcare centre; if so, how many agreements of this type are there.
- (7) Will the Minister provide a copy of the childcare benefits provisions from the Certified Agreements of each of the Minister's portfolio agencies.

- (8) What financial assistance for childcare, other than salary-sacrificed fees, is available to employees (including those on AWAs) of each of the Minister's portfolio agencies.
- (9) Have any agencies in the Minister's portfolio sought private or public rulings from the Australian Taxation Office relating to childcare and fringe benefits tax; if so, when.
- (10) Do any of the Minister's portfolio agencies have arrangements with other Government agencies to provide childcare to employees, such as sharing childcare facility costs at a site within, or external to, one of the agencies.

**Mr Abbott**—The answer to the honourable member's question is as follows:

- (1) No.
- (2) to (5) Not applicable.
- (6) Fifteen employees from the Private Health Insurance Administration Council have the option of salary sacrificing for childcare expenses. This is provided for in their individual employment contract. However, to date, there are no arrangements of this type in place.
- (7) and (8) The Department of Health and Ageing offers financial assistance for childcare under special circumstances as outlined in the Department's Certified Agreement, as follows:

**Extract - People, Leadership and Performance Improvement, Part E, Section 1**

121	Family care assistance	Where a staff member is required by the department to be away from home outside normal working hours, team leaders are expected to reimburse some or all of the costs of additional family care arrangements. Payment will also be made to the staff member, in advance, on production of an invoice.
122	School holiday family care subsidy	Where a staff member with school children has leave (within available credits) refused, has approved leave cancelled or is required to return from leave early because of departmental business requirements during school holidays, the department will reimburse up to \$20 per child per day of the amount paid by the staff member for each school child attending approved or registered care.
123		In the circumstances described above, where the staff member can demonstrate that they would otherwise have taken personal responsibility for caring for other family members during school holidays, the department may reimburse some or all of the amount paid by the staff member for that family care.
124		The reimbursement will: - apply only on the days when the staff member is at work, except in exceptional circumstances determined by the team leader; and - be net of any government subsidy available to the staff member.

- (9) No.
- (10) No.

**Child Care**

**(Question No. 3684)**

**Ms Plibersek** asked the Minister representing the Minister for the Environment and Heritage, in writing, on 19 June 2006:

- (1) Do any agencies in the Minister's portfolio offer childcare to employees; if so, which agencies.

- (2) In respect of agencies that offer childcare, (a) is the childcare (i) long day care, (ii) outside school hours care, or (iii) another type of care, (b) is the childcare facility located at the agency's premises; if so, (i) what is the maximum capacity of the childcare facility, (ii) is enrolment at the facility available to children whose parents are not employees of the agency, and (iii) do the children of agency employees receive preferential enrolment over the children of non-employees; if so, what are the provisions of the preference rule; and (c) will the Minister provide a copy of the information sheet given to employees seeking employer assistance with childcare.
- (3) Are employees given the option of salary-sacrificing childcare offered by the agency.
- (4) How many employees within each of the Minister's portfolio agencies have made salary-sacrifice arrangements with the employing agency for childcare expenses.
- (5) In respect of the employees identified in the response to part (5), how many use on site-childcare.
- (6) Do any of the Minister's portfolio agencies have salary-sacrifice agreements relating to childcare with employees who do not use the on-site childcare centre; if so, how many agreements of this type are there.
- (7) Will the Minister provide a copy of the childcare benefits provisions from the Certified Agreements of each of the Minister's portfolio agencies.
- (8) What financial assistance for childcare, other than salary-sacrificed fees, is available to employees (including those on AWAs) of each of the Minister's portfolio agencies.
- (9) Have any agencies in the Minister's portfolio sought private or public rulings from the Australian Taxation Office relating to childcare and fringe benefits tax; if so, when.
- (10) Do any of the Minister's portfolio agencies have arrangements with other Government agencies to provide childcare to employees, such as sharing childcare facility costs at a site within, or external to, one of the agencies.

**Mr Truss**—The Minister for the Environment and Heritage has provided the following answer to the honourable member's question:

Neither the Department of the Environment and Heritage nor any of its portfolio agencies provides child care facilities.

### **Leadership Coaching**

#### **(Question No. 3696)**

**Mr Bowen** asked the Minister for Health and Ageing, in writing, on 19 June 2006:

- (1) How many senior officials in the Minister's Department have a personal leadership coach or trainer.
- (2) In each of the cases identified in part (1), what is the cost per hour of the leadership coach.
- (3) What sum has been expended on leadership coaching in the Minister's Department during the 2005-06 financial year.

**Mr Abbott**—The answer to the honourable member's question is as follows:

- (1) Eight in 2005-06.
- (2) Five cases at \$330.00 per hour;  
One case, using two coaches, at \$453.75 and \$330.00 per hour;  
One case at \$495.00 per hour;  
One case at \$385.00 per hour.
- (3) \$8,914.75.

**Leadership Coaching****(Question No. 3703)**

**Mr Bowen** asked the Minister representing the Minister for the Environment and Heritage, in writing, on 19 June 2006:

- (1) How many senior officials in the Minister's Department have a personal leadership coach or trainer.
- (2) In each of the cases identified in part (1), what is the cost per hour of the leadership coach.
- (3) What sum has been expended on leadership coaching in the Minister's Department during the 2005-06 financial year.

**Mr Truss**—The Minister for the Environment and Heritage has provided the following answer to the honourable member's question:

- (1) Nil.
- (2) N/A.
- (3) N/A