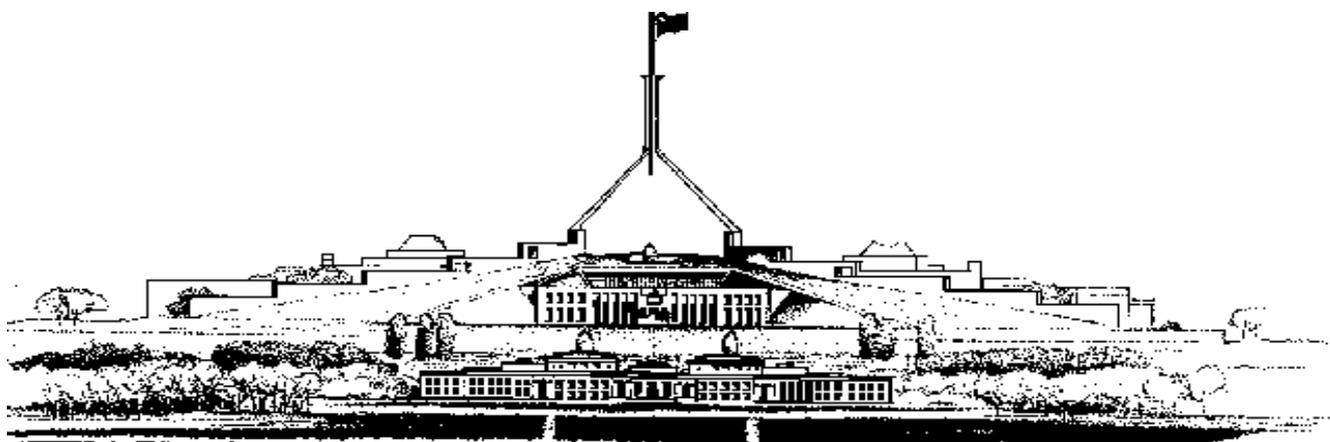




COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



House of Representatives

Official Hansard

No. 5, 2009

Wednesday, 18 March 2009

FORTY-SECOND PARLIAMENT
FIRST SESSION—FOURTH PERIOD

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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SITTING DAYS—2009

Month	Date
February	3, 4, 5, 9, 10, 11, 12, 23, 24, 25, 26
March	10, 11, 12, 16, 17, 18, 19
May	12, 13, 14, 25, 26, 27, 28
June	1, 2, 3, 4, 15, 16, 17, 18, 22, 23, 24, 25
August	11, 12, 13, 17, 18, 19, 20
September	7, 8, 9, 10, 14, 15, 16, 17
October	19, 20, 21, 22, 26, 27, 28, 29
November	16, 17, 18, 19, 23, 24, 25, 26

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

Governor-General

Her Excellency Ms Quentin Bryce, Companion of the Order of Australia

House of Representatives Officeholders

Speaker—Mr Harry Alfred Jenkins MP

Deputy Speaker—Ms Anna Elizabeth Burke MP

Second Deputy Speaker—Hon. Bruce Craig Scott MP

Members of the Speaker's Panel—Hon. Dick Godfrey Harry Adams MP, Hon. Kevin James Andrews MP, Hon. Archibald Ronald Bevis MP, Ms Sharon Leah Bird MP, Mr Steven Georganas MP, Hon. Judith Eleanor Moylan MP, Ms Janelle Anne Saffin MP, Mr Albert John Schultz MP, Mr Patrick Damien Secker MP, Mr Peter Sid Sidebottom MP, Hon. Peter Neil Slipper MP, Mr Kelvin John Thomson MP, Hon. Danna Sue Vale MP and Dr Malcolm James Washer MP

Leader of the House—Hon. Anthony Norman Albanese MP

Deputy Leader of the House—Hon. Stephen Francis Smith MP

Manager of Opposition Business—Hon. Christopher Maurice Pyne MP

Deputy Manager of Opposition Business—Mr Luke Hartsuyker MP

Party Leaders and Whips

Australian Labor Party

Leader—Hon. Kevin Michael Rudd MP

Deputy Leader—Hon. Julia Eileen Gillard MP

Chief Government Whip—Hon. Leo Roger Spurway Price MP

Government Whips—Ms Jill Griffiths Hall MP and Mr Christopher Patrick Hayes MP

Liberal Party of Australia

Leader—Hon. Malcolm Bligh Turnbull MP

Deputy Leader—Hon. Julie Isabel Bishop MP

Chief Opposition Whip—Hon. Alex Somlyay MP

Opposition Whip—Mr Michael Andrew Johnson MP

Deputy Opposition Whip—Ms Nola Bethwyn Marino MP

The Nationals

Leader—Hon. Warren Errol Truss MP

Chief Whip—Mrs Kay Elizabeth Hull MP

Whip—Mr Paul Christopher Neville MP

Printed by authority of the House of Representatives

Members of the House of Representatives

Members	Division	Party
Abbott, Hon. Anthony John	Warringah, NSW	LP
Adams, Hon. Dick Godfrey Harry	Lyons, Tas	ALP
Albanese, Hon. Anthony Norman	Grayndler, NSW	ALP
Andrews, Hon. Kevin James	Menzies, Vic	LP
Bailey, Hon. Frances Esther	McEwen, Vic	LP
Baldwin, Hon. Robert Charles	Paterson, NSW	LP
Bevis, Hon. Archibald Ronald	Brisbane, Qld	ALP
Bidgood, James Mark	Dawson, Qld	ALP
Billson, Hon. Bruce Fredrick	Dunkley, Vic	LP
Bird, Sharon Leah	Cunningham, NSW	ALP
Bishop, Hon. Bronwyn Kathleen	Mackellar, NSW	LP
Bishop, Hon. Julie Isabel	Curtin, WA	LP
Bowen, Hon. Christopher Eyles	Prospect, NSW	ALP
Bradbury, David John	Lindsay, NSW	ALP
Briggs, Jamie Edward	Mayo SA	LP
Broadbent, Russell Evan	McMillan, Vic	LP
Burke, Anna Elizabeth	Chisholm, Vic	ALP
Burke, Hon. Anthony Stephen	Watson, NSW	ALP
Butler, Mark Christopher	Port Adelaide, SA	ALP
Byrne, Hon. Anthony Michael	Holt, Vic	ALP
Campbell, Jodie Louise	Bass, Tas	ALP
Champion, Nicholas David	Wakefield, SA	ALP
Cheeseman, Darren Leicester	Corangamite, Vic	ALP
Chester, Darren	Gippsland, Vic.	Nats
Ciobo, Steven Michele	Moncrieff, Qld	LP
Clare, Jason Dean	Blaxland, NSW	ALP
Cobb, Hon. John Kenneth	Calare, NSW	Nats
Collins, Julie Maree	Franklin, Tas	ALP
Combat, Hon. Gregory Ivan, AM	Charlton, NSW	ALP
Costello, Hon. Peter Howard	Higgins, Vic	LP
Coulton, Mark Maclean	Parkes, NSW	Nats
Crean, Hon. Simon Findlay	Hotham, Vic	ALP
Danby, Michael David	Melbourne Ports, Vic	ALP
D'Ath, Yvette Maree	Petrie, Qld	ALP
Debus, Hon. Robert John	Macquarie, NSW	ALP
Dreyfus, Mark Alfred, QC	Isaacs, Vic	ALP
Dutton, Hon. Peter Craig	Dickson, Qld	LP
Elliot, Hon. Maria Justine	Richmond, NSW	ALP
Ellis, Annette Louise	Canberra, ACT	ALP
Ellis, Hon. Katherine Margaret	Adelaide, SA	ALP
Emerson, Hon. Craig Anthony	Rankin, Qld	ALP
Farmer, Hon. Patrick Francis	Macarthur, NSW	LP
Ferguson, Hon. Laurie Donald Thomas	Reid, NSW	ALP
Ferguson, Hon. Martin John, AM	Batman, Vic	ALP
Fitzgibbon, Hon. Joel Andrew	Hunter, NSW	ALP
Forrest, John Alexander	Mallee, Vic	Nats
Garrett, Hon. Peter Robert, AM	Kingsford Smith, NSW	ALP
Gash, Joanna	Gilmore, NSW	LP

Members of the House of Representatives

Members	Division	Party
Georganas, Steven	Hindmarsh, SA	ALP
George, Jennie	Throsby, NSW	ALP
Georgiou, Petro	Kooyong, Vic	LP
Gibbons, Stephen William	Bendigo, Vic	ALP
Gillard, Hon. Julia Eileen	Lalor, Vic	ALP
Gray, Hon. Gary, AO	Brand, WA	ALP
Grierson, Sharon Joy	Newcastle, NSW	ALP
Griffin, Hon. Alan Peter	Bruce, Vic	ALP
Haase, Barry Wayne	Kalgoorlie, WA	LP
Hale, Damian Francis	Solomon, NT	ALP
Hall, Jill Griffiths	Shortland, NSW	ALP
Hartsuyker, Luke	Cowper, NSW	Nats
Hawke, Alexander George	Mitchell, NSW	LP
Hawker, Hon. David Peter Maxwell	Wannon, Vic	LP
Hayes, Christophher Patrick	Werriwa, NSW	ALP
Hockey, Hon. Joseph Benedict	North Sydney, NSW	LP
Hull, Kay Elizabeth	Riverina, NSW	Nats
Hunt, Hon. Gregory Andrew	Flinders, Vic	LP
Irons, Stephen James	Swan, WA	LP
Irwin, Julia Claire	Fowler, NSW	ALP
Jackson, Sharryn Maree	Hasluck, WA	ALP
Jenkins, Harry Alfred	Scullin, Vic	ALP
Jensen, Dennis Geoffrey	Tangney, WA	LP
Johnson, Michael Andrew	Ryan, Qld	LP
Katter, Hon. Robert Carl	Kennedy, Qld	Ind
Keenan, Michael Fayat	Stirling, WA	LP
Kelly, Hon. Michael Joseph, AM	Eden-Monaro, NSW	ALP
Kerr, Hon. Duncan James Colquhoun, SC	Denison, Tas	ALP
King, Catherine Fiona	Ballarat, Vic	ALP
Laming, Andrew Charles	Bowman, Qld	LP
Ley, Hon. Sussan Penelope	Farrer, NSW	LP
Lindsay, Hon. Peter John	Herbert, Qld	LP
Livermore, Kirsten Fiona	Capricornia, Qld	ALP
McClelland, Hon. Robert Bruce	Barton, NSW	ALP
Macfarlane, Hon. Ian Elgin	Groom, Qld	LP
McKew, Hon. Maxine Margaret	Bennelong, NSW	ALP
Macklin, Hon. Jennifer Louise	Jagajaga, Vic	ALP
McMullan, Hon. Robert Francis	Fraser, ACT	ALP
Marino, Nola Bethwyn	Forrest, WA	LP
Markus, Louise Elizabeth	Greenway, NSW	LP
Marles, Richard Donald	Corio, Vic	ALP
May, Margaret Ann	McPherson, Qld	LP
Melham, Daryl	Banks, NSW	ALP
Mirabella, Sophie	Indi, Vic	LP
Morrison, Scott John	Cook, NSW	LP
Moylan, Hon. Judith Eleanor	Pearce, WA	LP
Murphy, Hon. John Paul	Lowe, NSW	ALP
Neal, Belinda Jane	Robertson, NSW	ALP
Nelson, Hon. Brendan John	Bradfield, NSW	LP

Members of the House of Representatives

Members	Division	Party
Neumann, Shayne Kenneth	Blair, Qld	ALP
Neville, Paul Christopher	Hinkler, Qld	Nats
Oakeshott, Robert James Murray	Lyne, NSW	Ind
O'Connor, Hon. Brendan Patrick John	Gorton, Vic	ALP
Owens, Julie Ann	Parramatta, NSW	ALP
Parke, Melissa	Fremantle, WA	ALP
Pearce, Hon. Christopher John	Aston, Vic	LP
Perrett, Graham Douglas	Moreton, Qld	ALP
Plibersek, Hon. Tanya Joan	Sydney, NSW	ALP
Price, Hon. Leo Roger Spurway	Chifley, NSW	ALP
Pyne, Hon. Christopher Maurice	Sturt, SA	LP
Raguse, Brett Blair	Forde, Qld	ALP
Ramsey, Rowan Eric	Grey, SA	LP
Randall, Don James	Canning, WA	LP
Rea, Kerry Marie	Bonner, Qld	ALP
Ripoll, Bernard Fernand	Oxley, Qld	ALP
Rishworth, Amanda Louise	Kingston, SA	ALP
Robb, Hon. Andrew John, AO	Goldstein, Vic	LP
Robert, Stuart Rowland	Fadden, Qld	LP
Roxon, Hon. Nicola Louise	Gellibrand, Vic	ALP
Rudd, Hon. Kevin Michael	Griffith, Qld	ALP
Ruddock, Hon. Philip Maxwell	Berowra, NSW	LP
Saffin, Janelle Anne	Page, NSW	ALP
Schultz, Albert John	Hume, NSW	LP
Scott, Hon. Bruce Craig	Maranoa, Qld	NP
Secker, Patrick Damien	Barker, SA	LP
Shorten, Hon. William Richard	Maribyrnong, Vic	ALP
Sidebottom, Peter Sid	Braddon, Tas	ALP
Simpkins, Luke Xavier Linton	Cowan, WA	LP
Slipper, Hon. Peter Neil	Fisher, Qld	LP
Smith, Hon. Anthony David Hawthorn	Casey, Vic	LP
Smith, Hon. 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
Sullivan, Jonathan Harold	Longman, Qld	ALP
Swan, Hon. Wayne Maxwell	Lilley, Qld	ALP
Symon, Michael Stuart	Deakin, Vic	ALP
Tanner, Hon. Lindsay James	Melbourne, Vic	ALP
Thomson, Craig Robert	Dobell, NSW	ALP
Thomson, Kelvin John	Wills, Vic	ALP
Trevor, Chris Allan	Flynn, Qld	ALP
Truss, Hon. Warren Errol	Wide Bay, Qld	Nats
Tuckey, Hon. Charles Wilson	O'Connor, WA	LP
Turnbull, Hon. Malcolm Bligh	Wentworth, NSW	LP
Turnour, James Pearce	Leichhardt, Qld	ALP
Vale, Hon. Danna Sue	Hughes, NSW	LP
Vamvakinou, Maria	Calwell, Vic	ALP

Members of the House of Representatives

Members	Division	Party
Washer, Malcolm James	Moore, WA	LP
Windsor, Anthony Harold Curties	New England, NSW	Ind
Wood, Jason Peter	La Trobe, Vic	LP
Zappia, Tony	Makin, SA	ALP

PARTY ABBREVIATIONS

ALP—Australian Labor Party; LP—Liberal Party of Australia;
Nats—The Nationals; Ind—Independent

Heads of Parliamentary Departments

Clerk of the Senate—H Evans
Clerk of the House of Representatives—IC Harris AO
Secretary, Department of Parliamentary Services—A Thompson

RUDD MINISTRY

Prime Minister	Hon. Kevin Rudd, MP
Deputy Prime Minister, Minister for Education, Minister for Employment and Workplace Relations and Minister for Social Inclusion	Hon. Julia Gillard, MP
Treasurer	Hon. Wayne Swan MP
Minister for Immigration and Citizenship and Leader of the Government in the Senate	Senator Hon. Chris Evans
Special Minister of State, Cabinet Secretary and Vice President of the Executive Council	Senator Hon. John Faulkner
Minister for Finance and Deregulation	Hon. Lindsay Tanner MP
Minister for Trade	Hon. Simon Crean MP
Minister for Foreign Affairs	Hon. Stephen Smith MP
Minister for Defence	Hon. Joel Fitzgibbon MP
Minister for Health and Ageing	Hon. Nicola Roxon MP
Minister for Families, Housing, Community Services and Indigenous Affairs	Hon. Jenny Macklin MP
Minister for Infrastructure, Transport, Regional Development and Local Government and Leader of the House	Hon. Anthony Albanese MP
Minister for Broadband, Communications and the Digital Economy and Deputy Leader of the Government in the Senate	Senator Hon. Stephen Conroy
Minister for Innovation, Industry, Science and Research	Senator Hon. Kim Carr
Minister for Climate Change and Water	Senator Hon. Penny Wong
Minister for the Environment, Heritage and the Arts	Hon. Peter Garrett AM, MP
Attorney-General	Hon. Robert McClelland MP
Minister for Human Services and Manager of Government Business in the Senate	Senator Hon. Joe Ludwig
Minister for Agriculture, Fisheries and Forestry	Hon. Tony Burke MP
Minister for Resources and Energy and Minister for Tourism	Hon. Martin Ferguson AM, MP

[The above ministers constitute the cabinet]

RUDD MINISTRY—*continued*

Minister for Home Affairs	Hon. Bob Debus MP
Assistant Treasurer and Minister for Competition Policy and Consumer Affairs	Hon. Chris Bowen MP
Minister for Veterans' Affairs	Hon. Alan Griffin MP
Minister for Housing and Minister for the Status of Women	Hon. Tanya Plibersek MP
Minister for Employment Participation	Hon. Brendan O'Connor MP
Minister for Defence Science and Personnel	Hon. Warren Snowdon MP
Minister for Small Business, Independent Contractors and the Service Economy and Minister Assisting the Finance Minister on Deregulation	Hon. Dr Craig Emerson MP
Minister for Superannuation and Corporate Law	Senator Hon. Nick Sherry
Minister for Ageing	Hon. Justine Elliot MP
Minister for Youth and Minister for Sport	Hon. Kate Ellis MP
Parliamentary Secretary for Early Childhood Education and Childcare	Hon. Maxine McKew MP
Parliamentary Secretary for Climate Change	Hon. Greg Combet AM, MP
Parliamentary Secretary for Defence Support and Parliamentary Secretary for Water	Hon. Dr Mike Kelly AM, MP
Parliamentary Secretary for Regional Development and Northern Australia	Hon. Gary Gray AO, MP
Parliamentary Secretary for Disabilities and Children's Services and Parliamentary Secretary for Victorian Bushfire Reconstruction	Hon. Bill Shorten MP
Parliamentary Secretary for International Development Assistance	Hon. Bob McMullan MP
Parliamentary Secretary for Pacific Island Affairs	Hon. Duncan Kerr MP
Parliamentary Secretary to the Prime Minister and Parliamentary Secretary for Trade	Hon. Anthony Byrne MP
Parliamentary Secretary for Social Inclusion and Parliamentary Secretary for the Voluntary Sector	Senator Hon. Ursula Stephens
Parliamentary Secretary to the Minister for Health and Ageing	Senator Hon. Jan McLucas
Parliamentary Secretary for Multicultural Affairs and Settlement Services	Hon. Laurie Ferguson MP
Parliamentary Secretary for Government Service Delivery	Senator Hon. Mark Arbib

SHADOW MINISTRY

Leader of the Opposition	The Hon Malcolm Turnbull MP
Shadow Minister for Foreign Affairs and Deputy Leader of the Opposition	The Hon Julie Bishop MP
Shadow Minister for Trade, Transport, Regional Development and Local Government and Leader of The Nationals	The Hon Warren Truss MP
Shadow Minister for Broadband, Communications and the Digital Economy and Leader of the Opposition in the Senate	Senator the Hon Nick Minchin
Shadow Minister for Innovation, Industry, Science and Research and Deputy Leader of the Opposition in the Senate	Senator the Hon Eric Abetz
Shadow Treasurer	The Hon Joe Hockey MP
Shadow Minister for Education, Apprenticeships and Training and Manager of Opposition Business in the House	The Hon Christopher Pyne MP
Shadow Minister for Infrastructure and COAG and Shadow Minister Assisting the Leader on Emissions Trading Design	The Hon Andrew Robb AO, MP
Shadow Minister for Finance, Competition Policy and Deregulation	Senator the Hon Helen Coonan
Shadow Minister for Human Services and Deputy Leader of The Nationals	Senator the Hon Nigel Scullion
Shadow Minister for Energy and Resources	The Hon Ian Macfarlane MP
Shadow Minister for Families, Housing, Community Services and Indigenous Affairs	The Hon Tony Abbott MP
Shadow Special Minister of State and Shadow Cabinet Secretary	Senator the Hon Michael Ronaldson
Shadow Minister for Climate Change, Environment and Water	The Hon Greg Hunt MP
Shadow Minister for Health and Ageing	The Hon Peter Dutton MP
Shadow Minister for Defence	Senator the Hon David Johnston
Shadow Attorney-General	Senator the Hon George Brandis SC
Shadow Minister for Agriculture, Fisheries and Forestry	The Hon John Cobb MP
Shadow Minister for Employment and Workplace Relations	Mr Michael Keenan MP
Shadow Minister for Immigration and Citizenship	The Hon Dr Sharman Stone
Shadow Minister for Small Business, Independent Contractors, Tourism and the Arts	Mr Steven Ciobo

[The above constitute the shadow cabinet]

SHADOW MINISTRY—*continued*

Shadow Minister for Financial Services, Superannuation and Corporate Law	The Hon Chris Pearce MP
Shadow Assistant Treasurer	The Hon Tony Smith MP
Shadow Minister for Sustainable Development and Cities	The Hon Bruce Billson MP
Shadow Minister for Competition Policy and Consumer Affairs and Deputy Manager of Opposition Business in the House	Mr Luke Hartsuyker MP
Shadow Minister for Housing and Local Government	Mr Scott Morrison
Shadow Minister for Ageing	Mrs Margaret May MP
Shadow Minister for Defence Science and Personnel and Assisting Shadow Minister for Defence	The Hon Bob Baldwin MP
Shadow Minister for Veterans' Affairs	Mrs Louise Markus MP
Shadow Minister for Early Childhood Education, Child-care, Status of Women and Youth	Mrs Sophie Mirabella MP
Shadow Minister for Justice and Customs	The Hon Sussan Ley MP
Shadow Minister for Employment Participation, Training and Sport	Dr Andrew Southcott MP
Shadow Parliamentary Secretary for Northern Australia	Senator the Hon Ian Macdonald
Shadow Parliamentary Secretary for Roads and Transport	Mr Don Randall MP
Shadow Parliamentary Secretary for Regional Development	Mr John Forrest MP
Shadow Parliamentary Secretary for International Development Assistance and Shadow Parliamentary Secretary for Indigenous Affairs	Senator Marise Payne
Shadow Parliamentary Secretary for Energy and Resources	Mr Barry Haase MP
Shadow Parliamentary Secretary for Disabilities, Carers and the Voluntary Sector	Senator Mitch Fifield
Shadow Parliamentary Secretary for Water Resources and Conservation	Mr Mark Coulton MP
Shadow Parliamentary Secretary for Health Administration	Senator Mathias Cormann
Shadow Parliamentary Secretary for Defence	The Hon Peter Lindsay MP
Shadow Parliamentary Secretary for Education	Senator the Hon Brett Mason
Shadow Parliamentary Secretary for Justice and Public Security	Mr Jason Wood MP
Shadow Parliamentary Secretary for Agriculture, Fisheries and Forestry	Senator the Hon Richard Colbeck
Shadow Parliamentary Secretary for Immigration and Citizenship and Shadow Parliamentary Secretary Assisting the Leader in the Senate	Senator Concetta Fierravanti-Wells

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Wednesday, 18 March 2009

The SPEAKER (Mr Harry Jenkins) took the chair at 9.00 am and read prayers.

DEFENCE PROCUREMENT

Mr BALDWIN (Paterson) (9.00 am)—I seek leave to move a motion.

Leave not granted.

Suspension of Standing and Sessional Orders

Mr BALDWIN (Paterson) (9.02 am)—I move:

That so much of the standing and sessional orders be suspended as would prevent the member for Paterson from moving the following motion immediately:

That the House:

- (1) notes that, in February 2009, the Rudd Labor Government awarded a \$40 million contract to an American company for the development of nine joint light tactical vehicle prototypes;
- (2) notes that the Rudd Labor Government failed to consider an Australian defence industry manufacturer as a possible supplier;
- (3) condemns the Rudd Labor Government for failing to recognise Australian defence industries capability and expertise in delivering military vehicles;
- (4) acknowledges that the contract for 1,300 vehicles will be in excess of \$1.3 billion and would support over 350 direct jobs and hundreds more indirect jobs in Australia;
- (5) acknowledges the economic and social contribution to the Bendigo community of the successful Bushmaster project; and
- (6) calls on the Rudd Labor Government to immediately provide funding to the Bushmaster plant at Bendigo to enable it to progress Australian designed and built prototypes for consideration in the replacement program.

This government has made much about—

Mr ALBANESE (Grayndler—Minister for Infrastructure, Transport, Regional De-

velopment and Local Government) (9.03 am)—I move:

That the member be no longer heard.

Question put.

The House divided. [9.07 am]

(The Speaker—Mr Harry Jenkins)

Ayes..... 78

Noes..... 62

Majority..... 16

AYES

Adams, D.G.H.	Albanese, A.N.
Bevis, A.R.	Bidgood, J.
Bird, S.	Bowen, C.
Bradbury, D.J.	Burke, A.E.
Burke, A.S.	Butler, M.C.
Byrne, A.M.	Campbell, J.
Champion, N.	Cheeseman, D.L.
Clare, J.D.	Collins, J.M.
Combet, G.	Crean, S.F.
D'Ath, Y.M.	Danby, M.
Debus, B.	Dreyfus, M.A.
Elliot, J.	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.	Gray, G.
Grierson, S.J.	Griffin, A.P.
Hale, D.F.	Hall, J.G. *
Hayes, C.P. *	Irwin, J.
Jackson, S.M.	Kerr, D.J.C.
King, C.F.	Livermore, K.F.
Macklin, J.L.	Marles, R.D.
McClelland, R.B.	McKew, M.
McMullan, R.F.	Melham, D.
Murphy, J.	Neal, B.J.
Neumann, S.K.	O'Connor, B.P.
Owens, J.	Parke, M.
Perrett, G.D.	Plibersek, T.
Price, L.R.S.	Raguse, B.B.
Rea, K.M.	Ripoll, B.F.
Rishworth, A.L.	Saffin, J.A.
Shorten, W.R.	Sidebottom, S.
Smith, S.F.	Snowdon, W.E.
Sullivan, J.	Swan, W.M.
Symon, M.	Tanner, L.
Thomson, C.	Thomson, K.J.

Trevor, C.	Turnour, J.P.	(The Speaker—Mr Harry Jenkins)	
Vamvakinou, M.	Zappia, A.	Ayes.....	78
NOES		Noes.....	<u>62</u>
Abbott, A.J.	Andrews, K.J.	Majority.....	<u>16</u>
Bailey, F.E.	Baldwin, R.C.	AYES	
Billson, B.F.	Bishop, B.K.	Adams, D.G.H.	Albanese, A.N.
Bishop, J.I.	Briggs, J.E.	Bevis, A.R.	Bidgood, J.
Broadbent, R.	Chester, D.	Bird, S.	Bowen, C.
Ciobo, S.M.	Cobb, J.K.	Bradbury, D.J.	Burke, A.E.
Costello, P.H.	Coulton, M.	Burke, A.S.	Butler, M.C.
Dutton, P.C.	Farmer, P.F.	Byrne, A.M.	Campbell, J.
Forrest, J.A.	Gash, J.	Champion, N.	Cheeseman, D.L.
Georgiou, P.	Haase, B.W.	Clare, J.D.	Collins, J.M.
Hartsuyker, L.	Hawke, A.	Combet, G.	Crean, S.F.
Hawker, D.P.M.	Hockey, J.B.	D'Ath, Y.M.	Danby, M.
Hull, K.E. *	Hunt, G.A.	Debus, B.	Dreyfus, M.A.
Irons, S.J.	Jensen, D.	Elliot, J.	Ellis, K.
Johnson, M.A. *	Keenan, M.	Emerson, C.A.	Ferguson, L.D.T.
Laming, A.	Ley, S.P.	Ferguson, M.J.	Fitzgibbon, J.A.
Lindsay, P.J.	Macfarlane, I.E.	Garrett, P.	Georganas, S.
Marino, N.B.	Markus, L.E.	George, J.	Gibbons, S.W.
May, M.A.	Mirabella, S.	Gillard, J.E.	Gray, G.
Morrison, S.J.	Moylan, J.E.	Grierson, S.J.	Griffin, A.P.
Nelson, B.J.	Neville, P.C.	Hale, D.F.	Hall, J.G. *
Pearce, C.J.	Pyne, C.	Hayes, C.P. *	Irwin, J.
Ramsey, R.	Randall, D.J.	Jackson, S.M.	Kerr, D.J.C.
Robb, A.	Robert, S.R.	King, C.F.	Livermore, K.F.
Ruddock, P.M.	Schultz, A.	Macklin, J.L.	Marles, R.D.
Scott, B.C.	Secker, P.D.	McClelland, R.B.	McKew, M.
Simpkins, L.	Slipper, P.N.	McMullan, R.F.	Melham, D.
Smith, A.D.H.	Somlyay, A.M.	Murphy, J.	Neal, B.J.
Southcott, A.J.	Stone, S.N.	Neumann, S.K.	O'Connor, B.P.
Truss, W.E.	Vale, D.S.	Owens, J.	Parke, M.
Washer, M.J.	Wood, J.	Perrett, G.D.	Plibersek, T.
* denotes teller		Price, L.R.S.	Raguse, B.B.
Question agreed to.		Rea, K.M.	Ripoll, B.F.
The SPEAKER —Is the motion seconded?		Rishworth, A.L.	Saffin, J.A.
Dr NELSON (Bradfield) (9.11 am)—I second the motion. This is a contemptible sell-out of Australian jobs, vehicles and slouch hats. Shame on you!		Shorten, W.R.	Sidebottom, S.
Mr ALBANESE (Grayndler—Leader of the House) (9.11 am)—I move:		Smith, S.F.	Snowdon, W.E.
That the member be no longer heard.		Sullivan, J.	Swan, W.M.
Question put.		Symon, M.	Tanner, L.
The House divided. [9.13 am]		Thomson, C.	Thomson, K.J.
		Trevor, C.	Turnour, J.P.
		Vamvakinou, M.	Zappia, A.
		NOES	
		Abbott, A.J.	Andrews, K.J.
		Bailey, F.E.	Baldwin, R.C.
		Billson, B.F.	Bishop, B.K.
		Bishop, J.I.	Briggs, J.E.

Broadbent, R.
 Ciobo, S.M.
 Costello, P.H.
 Dutton, P.C.
 Forrest, J.A.
 Georgiou, P.
 Hartsuyker, L.
 Hawker, D.P.M.
 Hull, K.E. *
 Irons, S.J.
 Johnson, M.A. *
 Laming, A.
 Lindsay, P.J.
 Marino, N.B.
 May, M.A.
 Morrison, S.J.
 Nelson, B.J.
 Pearce, C.J.
 Ramsey, R.
 Robb, A.
 Ruddock, P.M.
 Scott, B.C.
 Simpkins, L.
 Smith, A.D.H.
 Southcott, A.J.
 Truss, W.E.
 Washer, M.J.

Chester, D.
 Cobb, J.K.
 Coulton, M.
 Farmer, P.F.
 Gash, J.
 Haase, B.W.
 Hawke, A.
 Hockey, J.B.
 Hunt, G.A.
 Jensen, D.
 Keenan, M.
 Ley, S.P.
 Macfarlane, I.E.
 Markus, L.E.
 Mirabella, S.
 Moylan, J.E.
 Neville, P.C.
 Pyne, C.
 Randall, D.J.
 Robert, S.R.
 Schultz, A.
 Secker, P.D.
 Slipper, P.N.
 Somlyay, A.M.
 Stone, S.N.
 Vale, D.S.
 Wood, J.

* denotes teller

Question agreed to.

Original question put:

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

The House divided. [9.15 am]

(The Speaker—Mr Harry Jenkins)

Ayes.....	62
Noes.....	<u>76</u>
Majority.....	<u>14</u>

AYES

Abbott, A.J.
 Bailey, F.E.
 Billson, B.F.
 Bishop, J.I.
 Broadbent, R.
 Ciobo, S.M.
 Costello, P.H.
 Dutton, P.C.
 Forrest, J.A.
 Georgiou, P.

Andrews, K.J.
 Baldwin, R.C.
 Bishop, B.K.
 Briggs, J.E.
 Chester, D.
 Cobb, J.K.
 Coulton, M.
 Farmer, P.F.
 Gash, J.
 Haase, B.W.

Hartsuyker, L.
 Hawker, D.P.M.
 Hull, K.E. *
 Irons, S.J.
 Johnson, M.A. *
 Laming, A.
 Lindsay, P.J.
 Marino, N.B.
 May, M.A.
 Morrison, S.J.
 Nelson, B.J.
 Pearce, C.J.
 Ramsey, R.
 Robb, A.
 Ruddock, P.M.
 Scott, B.C.
 Simpkins, L.
 Smith, A.D.H.
 Southcott, A.J.
 Truss, W.E.
 Washer, M.J.

Hawke, A.
 Hockey, J.B.
 Hunt, G.A.
 Jensen, D.
 Keenan, M.
 Ley, S.P.
 Macfarlane, I.E.
 Markus, L.E.
 Mirabella, S.
 Moylan, J.E.
 Neville, P.C.
 Pyne, C.
 Randall, D.J.
 Robert, S.R.
 Schultz, A.
 Secker, P.D.
 Slipper, P.N.
 Somlyay, A.M.
 Stone, S.N.
 Vale, D.S.
 Wood, J.

NOES

Adams, D.G.H.
 Bevis, A.R.
 Bird, S.
 Bradbury, D.J.
 Burke, A.S.
 Byrne, A.M.
 Champion, N.
 Clare, J.D.
 Combet, G.
 D'Ath, Y.M.
 Debus, B.
 Ellis, K.
 Ferguson, L.D.T.
 Fitzgibbon, J.A.
 Georganas, S.
 Gibbons, S.W.
 Gray, G.
 Griffin, A.P.
 Hall, J.G. *
 Irwin, J.
 Kerr, D.J.C.
 Livermore, K.F.
 Marles, R.D.
 McMullan, R.F.
 Murphy, J.
 Neumann, S.K.
 Owens, J.
 Perrett, G.D.
 Price, L.R.S.

Albanese, A.N.
 Bidgood, J.
 Bowen, C.
 Burke, A.E.
 Butler, M.C.
 Campbell, J.
 Cheeseman, D.L.
 Collins, J.M.
 Crean, S.F.
 Danby, M.
 Elliot, J.
 Emerson, C.A.
 Ferguson, M.J.
 Garrett, P.
 George, J.
 Gillard, J.E.
 Grierson, S.J.
 Hale, D.F.
 Hayes, C.P. *
 Jackson, S.M.
 King, C.F.
 Macklin, J.L.
 McClelland, R.B.
 Melham, D.
 Neal, B.J.
 O'Connor, B.P.
 Parke, M.
 Plibersek, T.
 Raguse, B.B.

Rea, K.M.	Ripoll, B.F.
Rishworth, A.L.	Saffin, J.A.
Shorten, W.R.	Sidebottom, S.
Smith, S.F.	Snowdon, W.E.
Sullivan, J.	Swan, W.M.
Symon, M.	Tanner, L.
Thomson, C.	Thomson, K.J.
Trevor, C.	Turnour, J.P.
Vamvakinou, M.	Zappia, A.

* denotes teller

Question negatived.

**FAMILY ASSISTANCE AND OTHER
LEGISLATION AMENDMENT (2008
BUDGET AND OTHER MEASURES)
BILL 2009**

First Reading

Bill and explanatory memorandum presented by **Ms Macklin**.

Bill read a first time.

Second Reading

Ms MACKLIN (Jagajaga—Minister for Families, Housing, Community Services and Indigenous Affairs) (9.22 am)—I move:

That this bill be now read a second time.

This bill introduces one measure from the 2008 budget on family tax benefit and two further non-budget measures from the Families, Housing, Community Services and Indigenous Affairs portfolio.

The budget measure is part of the Better Targeting and Delivery of Family Tax Benefit package. The measure will streamline the administration of family tax benefit by removing from 1 July 2009 the option of claiming payments through the tax system.

Only around seven per cent of current family tax benefit customers claim through the Australian Taxation Office. Removing the tax system option for delivery of family tax benefit payments will simplify the system, reduce duplication in delivery of the payments, and improve consistency for claimants.

The choice of payment in fortnightly instalments, including end-of-year top-ups if applicable, or in an annual lump sum, will remain through Centrelink and Medicare. Furthermore, there will be no change in payment rates from this change in delivery arrangements.

Information will still be exchanged between the Australian Taxation Office and Centrelink to ensure entitlements are as accurate as possible. Adjusted taxable income will continue to be used for family tax benefit income testing and end-of-year reconciliation processes. Tax refunds will also continue to be available to offset family tax benefit debts, and vice versa. In most of these administrative respects, the family tax benefit system will continue to work in the way customers are familiar with.

This bill includes an important non-budget measure foreshadowed by the government in its announcement on 23 October 2008 in response to the recommendations of the Northern Territory Emergency Response Review Board. This measure will ensure people subject to the Northern Territory income management regime have access to the Social Security Appeals Tribunal and Administrative Appeals Tribunal appeal mechanisms afforded to other Australians in relation to their income support and family payments.

Further measures from the same response will be introduced in the 2009 spring sittings, as announced.

Lastly, the bill makes amendments to implement part of the government's announced reforms to the Community Development Employment Projects (CDEP) program, which aim to improve employment participation for Indigenous Australians.

The amendments will provide new CDEP participants commencing on or after 1 July 2009 with access to the CDEP program while receiving income support payments,

instead of CDEP wages from CDEP providers.

The amendments will mean that new CDEP participants will not receive the CDEP Scheme Participant Supplement as such participants will be able to claim other additional benefits through the income support system. The amendments will allow continuing CDEP participants to receive CDEP wages from CDEP providers, and the CDEP Scheme Participant Supplement, until 30 June 2011, when continuing participants will transfer to income support.

I commend the bill to the House.

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

**SOCIAL SECURITY LEGISLATION
AMENDMENT (IMPROVED SUPPORT
FOR CARERS) BILL 2009**

First Reading

Bill and explanatory memorandum presented by **Ms Macklin**.

Bill read a first time.

Second Reading

Ms MACKLIN (Jagajaga—Minister for Families, Housing, Community Services and Indigenous Affairs) (9.27 am)—I move:

That this bill be now read a second time.

This bill is the government's legislative commitment following the report of the task force for the Carer Payment (child) Review.

The report of the task force, titled *Carer payment (child): a new approach*, was released last year, finding primarily that the qualification criteria for carer payment paid in respect of a child are too restrictive and the assessment process overly rigid and producing inequitable outcomes.

The government is committed to improving significantly the level of assistance for carers of children with disability or severe medical conditions. This bill delivers on that

commitment, making substantive changes to be implemented from 1 July 2009.

The changes in this bill are the latest in a series of recent support initiatives that have extended to carers. The 2008 one-off payment legislation delivered \$1,000 to carer payment recipients and certain other pensioners with a caring role, and carer allowance recipients were generally paid \$600 for each person cared for. Then the economic security strategy legislation of late 2008 provided \$1,400 to carer payment recipients and, generally, \$1,000 to carer allowance recipients for each person cared for.

These new measures are part of an \$822 million package from the 2008 budget to support and recognise carers. As well as the 2008 one-off payments, and the amendments to the carer legislation included in this bill—worth about \$273 million over five years—the government set aside \$100 million for supported accommodation facilities for people with disability whose ageing parents can no longer care for them at home and \$20 million for carers who have experienced a catastrophic event involving a young child.

This bill makes amendments in relation to carer payment paid in respect of a child. Carer payment is an income support payment for carers who, because of the demands of their caring role, are unable to support themselves through substantial participation in the workforce.

Due to the narrow set of medical and behavioural criteria currently determining eligibility for the payment, the payment is currently received by the parents of just under 7,000 children. The amendments will deliver a new, fairer set of qualification criteria for carer payment paid in respect of a child, based on the level of care required, rather than the rigid medical criteria currently used to assess qualification for the payment. As a result, the department estimates around

19,000 more carers will have access to carer payment from 1 July 2009.

The new assessment will be known as the Disability Care Load Assessment (Child) and it will improve the overall efficiency and effectiveness of assessments even in complex cases such as where children have multiple carers, where carers have multiple care receivers, and where there is care required for an adult with disability at the same time as a child with disability. Administration will be improved, with better claims processing and capacity for the more complex claims to be handled by a dedicated complex claims assessment team.

The Disability Care Load Assessment (Child) will be established by a legislative instrument. The instrument will allow a test, comprising a carer questionnaire and a treating health practitioner questionnaire, that will be used to assess the functional ability, behaviour and special care needs of children under 16, and the level of care provided by their carers. The process will accommodate assessment of eligibility for carer payment across a wide range of household situations, including situations where there is more than one child or more than one carer involved in the qualification process. This test will provide a method for determining a qualifying rating for the carer based on the level of care associated with caring for a child or children with severe disability or a severe medical condition.

For the first time, there will be access to carer payment paid in respect of a child on a short-term or episodic basis. Episodic care will cover care required for recurring conditions where the care recipient is aged under 16 years and each episode is expected to last at least three months and less than six months. This could include, for example, treatments for medical conditions such as cancer, brain injury or mental illness.

Short-term care will apply if the care recipient is aged under 16 years and has a condition that is expected to be short term (at least three months and less than six months) from a one-off incident. For example, an accident resulting in multiple broken limbs, a serious illness, or a surgical intervention may necessitate constant care in the short term but that care need is not expected to recur. Some short and intensive treatments for childhood cancer may also fit this category.

There will be more generous arrangements for carers of children who are in hospital so the carers can keep their carer payment and, if payable, their carer allowance, while the child is in hospital. This means that the current limit on payment in these circumstances of 63 days in a calendar year will no longer apply and will be replaced by a 12-week review cycle.

The qualification rules will also be relaxed in the tragic situation of a person caring for a child with a terminal illness. The current criteria require a medical professional to certify that the child has a terminal condition and will not live for substantially longer than 12 months. This will be replaced with a process that assesses the average life expectancy for a child with the same or a similar condition and provides for payment on that less intrusive basis.

The bill also amends some of the carer allowance provisions in the social security law. Carer allowance is an income supplement for people who provide daily at-home care and attention to an adult or child who has a physical, intellectual or psychiatric disability that is permanent and likely to affect the person for an extended period. Carer allowance is not means tested and may be paid in addition to an income support payment.

A person in receipt of carer payment in respect of a child will become automatically eligible for carer allowance.

In conclusion, these measures will provide a more flexible and accessible income support payment for Australians facing some of the toughest circumstances—caring for a child with severe disability or a severe medical condition. Parents providing the extra care and support needed by these children are often restricted in how much time they can be available to perform paid work—the hospitalisation of a child with a serious illness or the diagnosis of a disability can often mean one parent has to stay home to take on the caring role, which can therefore mean the loss of an income. For many single parents in this circumstance, it may be impossible to sustain full-time work and provide the care needed. Parents like these who meet the usual income and assets tests associated with income support payments will now be able to access this payment based on their caring load.

I commend the bill to the House.

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

FUEL QUALITY STANDARDS AMENDMENT BILL 2009

First Reading

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

Bill read a first time.

Second Reading

Mr GARRETT (Kingsford Smith—Minister for the Environment, Heritage and the Arts) (9.36am)—I move:

That this bill be now read a second time.

The Fuel Quality Standards Act 2000 is designed to regulate the quality of fuel supplied in Australia to reduce harmful emissions from vehicles, facilitate the adoption of better engine and emission control technology, and allow the more effective operation of engines. The act also ensures that informa-

tion on fuels is provided for consumers, where necessary.

The Fuel Quality Standards Amendment Bill 2009 will amend the act to implement recommendations from the first statutory review of the act and to address a number of issues that have arisen from the practical application of the act and its subordinate legislation. The act provides that an independent review of its operation be undertaken every five years. The first review reported in April 2005.

The bill will improve the efficiency and effectiveness of the act. In particular, these amendments are needed to improve the development and enforcement of fuel standards, which in turn benefit the public and the environment through cleaner fuels and reduced vehicle emissions. To this end, this bill contains a range of measures that will help the government stamp out unscrupulous dealers who illegally supply substandard fuels to Australian motorists, in breach of national fuel quality standards.

The act currently allows for approval for the variation of fuel standards and imposition of conditions to the approval. However, such conditions must relate to the supply of fuel. The bill will broaden the scope for imposing conditions so that, for example, the adverse impacts of the supply of substandard fuel could be offset. This means that a company that supplied petrol with a higher benzene content, under an approval, could be required to fund an air quality monitoring program that monitored benzene levels in the atmosphere in the region where the fuel was to be supplied.

The bill also includes a streamlined process for certain variations of approvals. If the variation is of a minor nature, or only adds regulated persons to an approval, the minister need only notify, rather than consult, the Fuel Standards Consultative Committee. The

bill also provides for the secretary to be able to initiate a variation to an approval, for example, to correct an error in an approval. In each case a notice of the variation would still need to be published in the *Gazette*.

The bill will also establish a process for granting an emergency approval to avoid a potential fuel supply shortfall in exceptional circumstances. An emergency approval will be able to be granted for a maximum period of 14 days with the Fuel Standards Consultative Committee only notified of the decision, rather than needing to be consulted before a decision can be made. The bill will also allow for the period of an emergency approval to be extended, but only after consultation with the committee.

The bill will allow delegation of powers to grant approvals to the secretary or an SES officer, except in relation to emergency approvals which will only be delegated to the secretary. This will allow the more routine approvals, such as those relating to racing fuels, to be handled by the department. It will also provide some flexibility for the department in those situations where an emergency approval is required to address a potential fuel supply.

The bill will also allow consideration of the circumstances in which fuel is supplied as one of the matters that constitute a fuel standard. This provision will allow the inclusion or exclusion of certain end uses, where appropriate, from the application of fuel standards and it will assist in addressing issues relating to the complexity of defining fuels used for different purposes and the management of blends—for example, diesel blended with biodiesel. Existing fuel standards will continue in effect as if they had been made under the provisions of the bill. This will clarify that the fuel standard for petrol does not cover supplies of leaded petrol for use in aircraft. This is intended but not

achieved under the current law because fuel standards do not relate to end use.

The act contains criminal offences for breaches of the legislation. The bill will introduce a more comprehensive range of enforcement measures, including a civil penalties regime so that there will be, for each offence, an equivalent civil penalty provision. Other enforcement measures include the ability to issue an infringement notice and, if appropriate, accept an enforceable undertaking. These measures will ensure that appropriate action can be taken in respect of breaches of the act.

The bill also extends the type of courts that have jurisdiction for various matters under the act. For example, an application for an injunction will be able to be made to the Supreme Court of a state or territory and not just the Federal Court of Australia. This change recognises that state and territory courts already have a role in prosecutions for offences against the act and allows them to deal with other matters.

Unless a warrant is obtained, the act requires inspectors to obtain the consent of a fuel retailer before exercising monitoring powers, which are quite broad. The bill will allow inspectors to enter the public area of business premises during normal hours of operation and exercise a limited range of monitoring powers without the consent of the retailer or without a warrant. The retailer's right to refuse to allow an inspector to enter, or remain on, the premises, as is the case with any member of the public, will not be affected.

The bill will expand current information sharing powers to allow the secretary to share information obtained under the act to assist in the administration or enforcement of various laws—for example, the Energy Grants (Cleaner Fuels) Scheme Act 2004, and state and territory fair trading laws. This

will facilitate communication with other regulators to increase the intelligence base on potential offenders. It will also assist in addressing gaps in the act's coverage of the industry.

There is only one new offence in the bill. A new section 65D provides that the secretary can require a person, other than the person who is suspected of contravening a civil penalty provision, who may have information relevant to an application for a civil penalty order, to provide all reasonable assistance in connection with the application. An offence applies for failure to give assistance as required. While this offence is a new offence under this act, it is a procedural offence common to other Commonwealth legislation.

The act as currently written is difficult to enforce. This bill will make the legislation much more robust in ensuring that the quality of fuel supplied in Australia is of the high standard required for new advanced engine technology in vehicles. This will be important to enable us to respond to new fuels and vehicle technologies as they emerge.

In closing, let me make clear that this bill will help to stamp out dodgy dealers who supply substandard petrol to consumers and will give Australian motorists confidence that the fuel they are paying for is of the high standard they expect. I commend the bill to the House.

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

**DEFENCE LEGISLATION
AMENDMENT BILL (No. 1) 2009**

First Reading

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

Bill read a first time.

Second Reading

Mr SNOWDON (Lingiari—Minister for Defence Science and Personnel) (9.44 am)—I move:

That this bill be now read a second time.

The purpose of the Defence Legislation Amendment Bill (No. 1) 2009 is to make amendments to address two separate measures.

The first measure will amend the Defence Act 1903 to introduce a Tactical Payment Scheme (TPS). This scheme will provide a new, efficient and effective means for making expeditious no-liability payments to persons who suffer damage, injury or loss due to Australian Defence Force (ADF) activities abroad.

The TPS was developed in response to lessons learnt in ADF operations in Iraq, Afghanistan and East Timor. The scheme is an acknowledgement that, in many areas in which the ADF operates, the expectation of financial compensation for collateral damage to property, injury or loss of life is often a common aspect of local cultures. Respect for and recognition of such customs is vital for building relationships with these local communities, which in turn enhances the safety and security of our deployed ADF personnel.

At present, payments of this nature can only be made by the government under the act of grace provisions in the Financial Management and Accountability Act 1997 (the FMA Act). These provisions provide for payment to be made in circumstances where the government is not legally liable for the damage caused by ADF members but accepts some responsibility to recompense the individual affected by that damage.

Defence greatly appreciates the support provided by the Minister for Finance and Deregulation, who is responsible for considering and approving act of grace payments.

Nonetheless, our experience in East Timor, Iraq and Afghanistan has shown that the administrative requirements involved in making an act of grace claim make that system unsuitable for use in operational environments. This is particularly true in situations where expeditious payments are appropriate and most effective. Even small delays in making payments can have a negative impact on relations with the local community and therefore on the security and protection of ADF personnel deployed overseas.

The TPS is a Defence specific, discretionary mechanism that does not preclude Defence from having recourse to the act of grace provisions in the Financial Management and Accountability Act 1997 (the FMA Act).

The scheme will allow for expeditious payments to be made in overseas operations and will operate independently from the act of grace payments provisions and be managed and operated by Defence.

The second measure amends the Defence Home Ownership Assistance Scheme Act 2008, which provides a legislative basis for the operation of the Defence Home Ownership Assistance Scheme (DHOAS). The DHOAS was introduced on 1 July 2008 as one of a number of initiatives designed to improve current ADF recruitment and retention rates. The scheme encourages retention by providing increased assistance as a member passes specified career points. The assistance available under the scheme is also provided in recognition of the difficulties ADF members may have in purchasing a home due to the nature of their careers.

The DHOAS provides eligible ADF members with home ownership assistance that reflects the contemporary housing and home finance markets. The scheme is responsive to changes in the housing market and provides flexibility and choice to ADF

members through a panel of home loan providers.

Since being introduced, the DHOAS has generated much interest in the ADF community. As at 28 February 2009, the scheme administrator, the Department of Veterans' Affairs, had issued 11,255 subsidy certificates to eligible ADF members. Of these ADF members, 5,197 had commenced receipt of the subsidy assistance on taking up a mortgage provided by a member of the home loan provider panel. ADF member feedback indicates that the DHOAS is having a positive influence on retention.

While the introduction of the DHOAS has been successful, the scheme administrator has highlighted a number of unintended outcomes inconsistent with the initial policy intent. Accordingly, the bill will address these unintended outcomes.

The bill will remove the unintended windfall gain in the eligibility and entitlement of members who rejoined the ADF after a break in service prior to 1 July 2008. This measure will ensure that members who rejoined the ADF prior to 1 July 2008 are provided with the same eligibility and entitlement as those who rejoined after this date. The change primarily affects members with reserve service or combined permanent and reserve service who have had a break in service of between two and five years prior to 1 July 2008. This bill will also clarify that ADF service performed before a break in service of greater than five years is not considered to be effective for the purpose of calculation of a member's eligibility or entitlement. Importantly, these changes will not be retrospective. This will ensure that members who have been advised of an entitlement based on the previous provision, by being issued with a subsidy certificate, do not suffer detriment.

The second unintended outcome is in relation to subsidy certificates where that certifi-

cate can be issued even if the member has exhausted their service credit and cannot receive a subsidy payment. This undermines the reliability of the certificate as evidence for home loan providers that a member is able to receive a subsidy on the loan provided. Furthermore, the certificate does not expire if the recipient ceases to hold a service credit and has no reasonable prospect of accruing further credit because he or she is no longer a member of the ADF. This will be addressed by the bill to ensure greater reliability of the subsidy certificate as evidence to a home loan provider that a subsidy is payable by making the issue of a subsidy certificate conditional on a member having a service credit, and making the certificate to stop being in force where the holder is not a member of the ADF and ceases to have a service credit. Importantly, no person will be disadvantaged by these changes.

The bill also makes amendments to ensure that only those members who are buying a home for the first time while a member of the ADF will have access to the subsidy lump sum payment option, that the subsidy may be payable either monthly or as a lump sum payment plus monthly payments, and that members who access the lump sum payment option retain sufficient service credit to support ongoing monthly subsidy payments.

The bill makes changes to the treatment of shared liability for a loan to bring the legislative scheme in line with the original policy intent of the DHOAS. The entitlement of a subsidised borrower who enters into a joint loan with a person who is not defined as a 'partner' in the Defence Home Ownership Assistance Scheme Act 2008 is calculated proportional to the subsidised borrower's liability. The amendments also clarify the entitlements of partners who are both subsidised borrowers in respect of the same loan, including entitlements on the death of one of

the partners, allowing partners together to maximize the amount of subsidy payable in respect of a loan to which they are both parties. These measures establish a consistent framework for calculation of subsidy where there is more than one party to a loan.

Lastly, the bill makes a minor amendment so that the scheme administrator may be delegated the secretary's function to provide written statements of reason for a decision that may be reviewable, including information about the affected person's rights. This will allow the responsibility for notification of review rights to be placed upon the delegate who has made a reviewable decision under the act. I commend the bill to the House.

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

HIGHER EDUCATION SUPPORT AMENDMENT (VET FEE-HELP AND PROVIDERS) BILL 2009

First Reading

Bill and explanatory memorandum presented by **Ms Kate Ellis**.

Bill read a first time.

Second Reading

Ms KATE ELLIS (Adelaide—Minister for Youth and Minister for Sport) (9.54 am)—I move:

That this bill be now read a second time.

The Higher Education Support Amendment (VET FEE-HELP and Providers) Bill 2009 makes minor clarifications and adjustments to the operation of the FEE-HELP and VET FEE-HELP assistance schemes under the Higher Education Support Act 2003.

VET FEE-HELP assists students studying diploma, advanced diploma, graduate certificate and graduate diploma courses by providing a loan for all or part of their tuition costs.

The scheme is aimed at encouraging students studying within the vocational education and training sector to pursue pathways to further or higher skill qualifications in the higher education sector.

It ensures that all students have the opportunity to access higher level skills training without the financial burden that may otherwise prevent them from enrolling in such courses.

This bill clarifies that a student cannot access VET FEE-HELP assistance to undertake a unit of study unless that unit of study is essential to the student's course of study.

In addition, the bill ensures that, if a provider of VET FEE-HELP assistance does not maintain certain standards set by the act, then it can be required to cease operating as a VET provider.

This amendment mirrors that made to the act in 2007 in relation to the operation of higher education providers, ensuring consistency between the FEE-HELP and VET FEE-HELP assistance schemes.

These amendments improve the protections already in place for both students and the Commonwealth.

The bill also makes minor changes to the higher education and VET provider approval process to allow higher education and VET provider notices of approval to take effect on the day immediately following the day the relevant notice is registered on the Federal Register of Legislative Instruments.

The amendments remove unnecessary delays in the approvals process, ensuring that a greater number of approved higher education and VET providers can operate sooner, giving eligible students faster access to FEE-HELP or VET FEE-HELP assistance with those providers.

I commend the bill to the House.

Debate (on motion by **Dr Southcott**) adjourned.

NATIONAL GREENHOUSE AND ENERGY REPORTING AMENDMENT BILL 2009

First Reading

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

Bill read a first time.

Second Reading

Mr COMBET (Charlton—Parliamentary Secretary for Climate Change) (9.57 am)—I move:

That this bill be now read a second time.

The purpose of the National Greenhouse and Energy Reporting Amendment Bill 2009 is to make minor—but nonetheless important—amendments to the National Greenhouse and Energy Reporting Act 2007.

The National Greenhouse and Energy Reporting Act 2007 commenced on 29 September 2007, establishing a framework for mandatory reporting of greenhouse gas emissions and energy production and consumption by industry.

That framework is extremely important in allowing the government to move forward in its efforts to combat climate change in an economically responsible way.

Under the act, corporations which exceed certain thresholds are required to register and report emissions and energy data to the government. The first reporting period under the act is the current financial year, 2008-09.

Data collected under the act will facilitate effective policy making by providing a national repository for emissions data to serve the needs of all Australian governments.

Australia is already recognised as a world leader in the collection of emissions data, and the amendments contained in this bill

will only serve to further strengthen our system.

The legislation will underpin the introduction of the Carbon Pollution Reduction Scheme, assist the government to meet Australia's international reporting obligations and facilitate the reduction of duplicative industry reporting requirements under existing state, territory and Commonwealth programs.

The amendments in this bill will improve the functions of the act and strengthen the audit framework provided for in the act. It is also important to recognise that this bill imposes no burdens on industry beyond those originally intended by the act.

This bill demonstrates the government's continued dedication to an efficient and effective National Greenhouse and Energy Reporting System.

These amendments also support this government's commitment to establishing a Carbon Pollution Reduction Scheme using a staged approach to ensure a smooth transition for business and other affected parties.

In some cases, the amendments better reflect the original policy intent behind the act. In other cases, the bill responds to issues raised by stakeholders in consultations. In particular, the bill focuses on the audit framework to be established under the act and for the Carbon Pollution Reduction Scheme and responds to feedback from consultation on this framework.

This bill will increase the effectiveness of the audit framework under the act and corrects potential stakeholder confusion surrounding terminology.

The phrase 'external auditor' has been replaced with 'audit team leader' and 'registered greenhouse and energy auditor' to reduce any confusion relating to the status and role of auditors under the act.

Another upgrade to the act requires audit team leaders to register with the Greenhouse and Energy Data Officer. Domestic and international emissions reporting and trading systems include registration or certification to control the quality of the auditor pool. This registration framework will reflect existing domestic and international best practice.

Stakeholder feedback was supportive of a registration process for auditors, and through this amendment the government is delivering the necessary framework for a robust auditor registration system.

This bill also allows the minister to determine, by legislative instrument, the requirements for the preparation, conduct and reporting of audits. This will ensure greater levels of consistency in the conduct of audits and reports provided by auditors. The amendments also clarify that the legislative instrument may outline different types of greenhouse and energy audits. This will provide the regulator with flexibility to target audits towards achieving specific outcomes.

Other amendments protect commercially sensitive information. Stakeholders have told us that reporting entities need confidence that commercially sensitive data will be protected, and this government is responding to that request.

The act facilitates greater levels of public information and corporate accountability in relation to greenhouse and energy information. This needs to be balanced with ensuring the legislation does not undermine commercial information that is validly confidential.

To ensure this bill has the teeth to respond to possible commercial secrecy breaches, the bill will include an offence relating to the release of 'audit information', other than for the purpose of the act or other Commonwealth, state and territory laws.

Further, under paragraph 23(2)(d) audit team members will be required to keep greenhouse and energy information and audit information obtained under the act confidential.

Accountability is an important component of a world-class reporting system. Amendments to section 56 entitle the Administrative Appeals Tribunal (AAT) to review decisions by the regulator to not register an auditor. This ensures that statutory decision making is transparent and defensible.

The amendments also give the regulator the power to publish certain audit results. Currently the regulator has no power to disclose information on the outcomes of audits to the public.

Stakeholders agree with us that this power is required. They have indicated a significant interest in the public having access to audit outcomes. This will assist the public to ascertain the reliability of a corporation's published greenhouse and energy information.

In making this information publicly available, the government recognises the importance of establishing clear criteria for disclosure. The amendment does not imply that the GEDO must publish the outcomes of certain audits. Rather, after taking a variety of issues into account, including commercially sensitive information, the GEDO may make audit outcomes available to the general public.

The bill is underpinned by broad stakeholder consultations over the past year and will support the continued development of a world-class National Greenhouse and Energy Reporting System and robust reporting for the Carbon Pollution Reduction Scheme.

In January of this year a consultation paper sought feedback on the removal of the requirement for the regulator to publicly disclose corporate-level energy production data. The aim was to eliminate confusion between economy-wide energy production statistics

produced by the government, and corporate-level energy production totals.

Whilst some stakeholders were concerned that this amendment would reduce public access to important greenhouse gas emissions data, it is important to note that the proposed amendment will not impact access to greenhouse gas emissions or energy consumption data.

Rather, the amendment will remove the obligation for the regulator to publish information that is aggregated in such a way as to be unusable and potentially misleading. The proposed amendments will address potential confusion between economy-wide energy production statistics produced by the government and corporate-level energy production totals.

Importantly, this will not affect the reporting obligations of corporations registered for reporting under the act. Neither will it affect the publication of corporate-level greenhouse gas and energy consumption data.

Collection of energy production data will remain a key component of the act, to inform government on energy flows across the Australian economy and to underpin the Australian Bureau of Agricultural and Resource Economics' energy statistics. The Australian Energy Statistics provide public data on energy production that is readily interpreted and useable.

The National Greenhouse and Energy Reporting System provides for comprehensive reporting of greenhouse and energy data. It will also eliminate duplicative industry reporting requirements under the existing patchwork of state, territory and Commonwealth greenhouse gas and energy programs. It provides a centralised repository for data which will serve the needs of all Australian governments and the Australian public.

The government will continue working with the states and territories through the

Council of Australian Governments (COAG) to identify opportunities for further streamlining of reporting requirements via this system.

This bill is the result of continued comprehensive stakeholder consultation on the act and the Carbon Pollution Reduction Scheme. Consultation has included numerous discussion papers seeking stakeholder feedback, workshops and one-on-one discussions with key affected parties.

We have struck a balance between disclosing useful information to the public, through including provisions for disclosure of audit outcomes, whilst protecting commercially sensitive information.

The amendments will make the audit framework for the act and the Carbon Pollution Reduction Scheme more robust, to support this government's commitment to economy-wide accountability for greenhouse gas emissions production and energy use.

I commend this bill to the House.

Debate (on motion by **Mr Anthony Smith**) adjourned.

**SOCIAL SECURITY AMENDMENT
(LIQUID ASSETS WAITING PERIOD)
BILL 2009**

Report from Main Committee

Bill returned from Main Committee without amendment, appropriation message having been reported; certified copy of the bill presented.

Ordered that this bill be considered immediately.

Bill agreed to.

Third Reading

Mr MARTIN FERGUSON (Batman—Minister for Resources and Energy and Minister for Tourism) (10.08 am)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

**TAX LAWS AMENDMENT (2009
MEASURES No. 1) BILL 2009**

Second Reading

Debate resumed from 12 February, on motion by **Mr Bowen**:

That this bill be now read a second time.

Mr ANTHONY SMITH (Casey) (10.08 am)—The bill before us, the Tax Laws Amendment (2009 Measures No. 1) Bill 2009, contains three important schedules. The first will amend the Taxation Administration Act 1953 and, in doing so, reduce the PAYG instalment amounts for certain taxpayers by 20 per cent, starting from the December quarter of last year. Schedule 2 contains a number of consequential amendments to the recent changes made to the unclaimed money regime with respect to temporary residents' superannuation. Schedule 3, the biggest section of the bill, includes a range of amendments relating to income test changes that were announced almost a year ago in the 2008-09 budget.

The coalition parties support the principles underpinning this bill and obviously will be supporting its passage on the whole. We are very concerned about aspects of the definition of 'reportable employer superannuation contribution'. We are concerned that it will mean the integrity measures that are being introduced will not apply equally to all employees. I will come to that later as I deal with the substance of each schedule.

As I said, schedule 1 implements an announcement on 12 December last year by the Minister for Small Business, Independent Contractors and the Service Economy that the government would, from the December 2008 quarter, reduce the quarterly PAYG instalment by 20 per cent for quarterly taxpayers. The reduction, outlined by the Assis-

tant Treasurer in introducing the bill and announced by the government at the time, will apply to small business entities, individuals, multirate trustees, full self-assessment taxpayers with \$2 million or less of instalment income for the previous income year and full self-assessment taxpayers with more than \$2 million of instalment income for the previous income year who are eligible to pay an annual PAYG instalment but have chosen not to.

The announcement by the minister for small business last year followed a call by the member for Moncrieff, the shadow minister for small business, independent contractors, tourism and the arts, almost a month earlier, on 20 November 2008. The member for Moncrieff, the shadow minister for small business, Mr Ciobo, called for PAYG relief for small businesses, which were suffering severe cash flow problems. The coalition's proposal called for the allowable margin of error in PAYG instalment variations to increase from 15 per cent to 30 per cent for the 2008-09 financial year. That proposal would have allowed small businesses themselves to adjust their PAYG instalments to reflect the reduction in turnover that many, of course, are experiencing. This would have direct cash flow benefit for small businesses and would help protect the jobs of Australians employed by small businesses.

We recognise, by talking to small businesses, that they are experiencing severe cash flow problems. It was the member for Moncrieff who first called for PAYG relief. After almost a month the government responded with a different measure but a measure which nonetheless provides PAYG relief for small business. As a consequence, we naturally support that schedule. The member for Moncrieff, the shadow minister for small business, will address the substance of those issues later today during this debate.

Schedule 2 is a non-controversial measure, which the coalition will also support. As I said at the outset, it contains consequential amendments to the recent changes made to the temporary residents unclaimed money regime. It will make the rules governing unclaimed superannuation for Australian residents consistent with the rules governing unclaimed superannuation for temporary residents who have departed Australia. This will reduce the compliance burden on superannuation funds in maintaining two separate regimes and will remove the distinction between maintaining a register for temporary residents and for Australians with unclaimed super.

Schedule 3 contains a number of key changes to income tests for financial assistance programs, many of which were announced in last year's budget. The coalition of course supports genuine integrity measures to ensure that government assistance is provided to those who are intended to receive it. The coalition, when in government, demonstrated its commitment to maintaining the integrity of income tests by undertaking a range of reforms to income tests, starting in the 1996-97 budget—for example, extending the range of fringe benefits included in the family payment income test and ensuring that income was accurately reflected for determining child support payments.

The schedule amends the methods of income testing in a variety of ways, as I said, with the intent of ensuring only those intended to receive the government benefits actually receive them and that taxpayers are not able to artificially reduce their income to receive benefits they would otherwise be ineligible for. There are two elements to the income testing. These include the items included in assessing income and the income threshold for that test. The schedule makes amendments to the first of these by expanding the definition of items used to determine

income. This is outlined in great detail in the bill and in the explanatory memorandum. Nonetheless, I will go through each of them because they are important in a number of regards. The element of income testing goes to ensuring the integrity of those government assistance programs.

As many members pointed out yesterday during the debate on the Commonwealth seniors health card bill as it applies to salary sacrificed contributions into a superannuation fund and superannuation stream income from a tax source, we strongly disagree with that bill. That bill passed this House last night without our support; it was a bill that we strongly opposed. That bill adds amounts that are salary sacrificed into superannuation funds and superannuation stream income from tax sources to the income test for the purposes of the Commonwealth seniors health card. We believe that, when it comes to eligibility for the Commonwealth seniors health card and salary sacrificed superannuation and superannuation from taxed sources, the status quo should remain. We strongly oppose the government's moves in that area. It is estimated that those measures in the bill that passed this House last night will remove eligibility for the Commonwealth seniors health card from around 22,000 senior Australians. At present, many in that category are under immense pressure. This is a vital concession for just under 300,000 senior Australians. It is available for those who are not receiving a government benefit and are on incomes of under \$50,000 for singles and \$80,000 for couples, and it provides affordable prescription medicine and health care, and a range of other benefits, to help senior Australians maintain a decent quality of life. The member for Warringah and the shadow minister responsible for that bill outlined in great detail our position on that in the debate that concluded about 12 hours ago in this House.

There are three key parts when it comes to the schedules within this bill. Part 1 changes some income definitions used in the tests. Part 2 changes the reporting requirements for tax purposes. Part 3 changes some of the actual income test to give effect to the changes in part 1. Part 1 introduces definitions for adjustable fringe benefits, reportable superannuation contributions, total net investment loss, rebate income, income from Medicare levy surcharge purposes and, finally, reportable employer superannuation contributions. Starting first with adjusted fringe benefits, this schedule inserts a new definition of the adjusted fringe benefit to replace the existing definition of a reportable fringe benefit. The definition of a reportable fringe benefit used for tax purposes is not suitable for income testing as it does not reflect the cash benefit received by the employees. The Family Assistance Office currently uses an identical definition to the one being introduced by this schedule, and the definition better reflects the fringe benefit received by the employee. So it is consistent with the income definition currently used by the Family Assistance Office. As adjusted fringe benefits will be included in the new definition of rebate income, this new definition will apply to a range of income tests.

Part 1 of the schedule inserts a new definition with respect to reportable superannuation contributions, and that will include salary sacrificed superannuation contributions and reportable employer superannuation contributions. It will ensure that salary sacrificed amounts are included under the income test when determining eligibility for a range of government benefits that would include family tax benefit A, the Medicare levy surcharge and a range of other benefits that taxpayers right across the spectrum are able to claim. It also inserts a new definition of total net investment loss and a related definition for financial investment. At present, net

rental property losses are considered when it comes to the calculation on income tests. This new definition will expand that definition to also include losses arising from financial investments. A total net investment loss will include a taxpayer's losses from financial investments and/or rental property that exceed the income they receive from those sources. Currently, as members will know, a loss from a rental property can be claimed as a tax deduction and is also included in assessing income for determining eligibility for government benefits. While losses from financial benefits can be claimed as a tax deduction at present, unlike rental property losses they are treated differently. This schedule will put those on an equal footing and ensure that Australians who choose to invest in rental property are treated in the same manner as those who choose to invest in financial investments.

Rebate income is another of the new definitions. This definition will consist of the sum of other definitions and include taxable income, adjusted fringe benefits, total net investment loss and reportable superannuation contributions. This single definition will make it easier to amend income tests in what—and I am sure that those following this bill closely would agree—will be a whole range, a plethora, of other legislation that will require consequential changes. Rebate income will be used for determining eligibility for the senior Australians tax offset, the pensioner tax offset and a trustee's eligibility for an offset.

The definition of income from the Medicare levy surcharge will be used to determine a taxpayer's liability for the Medicare levy surcharge. It is similar to rebate income, as it is a definition that consists of the sum of other definitions. Like rebate income, the definition will make it easier to amend the income test for the Medicare levy surcharge. This definition will include taxable income,

reportable fringe benefits, reportable superannuation contributions and total net investment loss.

Part 1 of this schedule also provides a new definition for reportable employer superannuation contributions—or RESC, being the acronym that was mentioned earlier. At this point I must point out that the Senate Standing Committee on Economics has had a short inquiry into this bill and concerns have been raised during that process by coalition senators in respect of the proposed definition of the reportable employer superannuation contributions. With the concern that that definition may create an unintentional bias, coalition senators recommended that the bill be amended to ensure that equality is provided and that inequality in how these measures apply is removed.

The reportable employer superannuation contribution does not include payments made by an employer to meet the compulsory nine per cent superannuation contribution. It is proposed to include amounts made by employers in addition to that nine per cent. The proposed definition will include payments made by the employer to an employee's superannuation fund on the reading of the bill where the employee 'has or has had or might reasonably be expected to have had the capacity to influence the size of the payment or the way the amount is contributed so that his or her assessable income is reduced'.

However, the proposed definition also states that any contributions made by an employer to an employee's superannuation fund that the employee did not control will not be included in the definition. This includes contributions made by an employer as part of an agreement that has been negotiated by a third party. In the wake of the concerns of the coalition senators and the way the bill is currently constructed, the opposition is extremely concerned that in its current form the

bill will include employer superannuation contributions made in addition to the compulsory nine per cent for income tests for one group of employees but not for another. That is on a strict reading of the bill and on the evidence that the coalition senators saw in their inquiry. The integrity measures may well only apply to one group of employees and make employees covered by a union agreement exempt from these integrity measures.

Obviously, if the integrity measures are going to apply with respect to amounts above the nine per cent and the intention of the government is to ensure that additional contributions above the nine per cent are included for income-testing purposes, clearly the intention should be that every employee is on the same footing. It appears, under this bill, that those employees who choose to negotiate their own arrangements will be treated less favourably than those under a union negotiated agreement when it comes to eligibility for government benefits. It raises the spectre of creating a bias towards workplace agreements negotiated by unions over those that are negotiated by employees.

It appears very likely—and the coalition senators were very concerned about this—that the proposal could leave two people receiving precisely the same additional superannuation contribution, who are on precisely the same salary, in different situations when it comes to eligibility for government benefits. That is how it appears on the reading of the bill. To give an example, say an income test for a certain government benefit is \$51,000 and there are two employees with a taxable income of 50,000 a year and both of their employers make a 15 per cent superannuation contribution to their superannuation funds. One employee may have reached an agreement with their employer for that and the other employee may have had it determined by a union negotiated agreement.

Nevertheless, both employees take home \$50,000 and both have had the additional contribution of up to 15 per cent made. On the reading of this bill and on the reading of the report by the coalition senators, one employee will have that additional six per cent above the nine taken into account when it comes to eligibility for government benefits but the other will not. This example illustrates what we believe is a serious inconsistency. Obviously, if these income-testing measures are going to apply—and, of course, at this point in time no additional contributions are taken into account for the purposes of income testing going to the intent of those income tests—and if the purpose at the moment is to take certain benefits that are provided into account, then they should all be taken into account and the testing should be blind to whether an employee has negotiated that agreement or whether a union has negotiated that agreement.

In short, if the coalition's concerns are right then what this bill would be saying in effect is that there should be an exemption from what the government says all other Australians should be subjected to. So we flag that very serious concern now. I said at the outset that we broadly support the measures to improve the integrity of income testing for government assistance programs and the further protection of the integrity of our tax and transfer system. As I said, this bill does not deal with superannuation issues with respect to the Commonwealth seniors health card. That was dealt with in another bill last night. That bill we believe is a bad approach by the government—and a breach of their election commitments—and we strongly oppose it. I have said with respect to this bill that, whilst those income tests have a number of effects, we are concerned with that inequality in superannuation as it goes to union negotiated agreements, or, in fact more widely than that, agreements negotiated out-

side an employee's control, compared to a superannuation contribution negotiated by an employee themselves.

We could of course move an amendment to that effect here in the House, but what I have determined to do is to give very ample notice of it to give the minister the opportunity to consider the comments that have been made and the concerns that have been raised. If, when we get to the Senate, those concerns have not been rectified then we will certainly be moving an amendment in the Senate to try and correct that anomaly and to correct any other unintended consequences that may arise. For the benefit of the House today we raise that concern. The fact that we do not move an amendment today does not in any way suggest that our concern is not real. Rather, in terms of the procedure of the House today on this issue and the technical issues involved in what I admit is a very comprehensive bill, we flag those concerns today, in the wake of those concerns being highlighted by coalition senators, to give the government the opportunity to propose an amendment that may correct that before it gets to the Senate. We will not be opposing this bill when the debate concludes but we certainly flag that serious issue with the minister and await his response.

The DEPUTY SPEAKER (Mr PD Secker)—The question is that this bill be read a second time. I call the honourable and, given his new haircut, frictionless, member for Blair.

Mr NEUMANN (Blair) (10.33 am)—I was quite happy to go along with what my daughter did recently—which was to engage in the World's Greatest Shave campaign for the Leukaemia Foundation of Queensland, a wonderful organisation. When the Mayor of Ipswich decided to put in \$1,000 if I got my head shaved, I could not resist the temptation. I speak in support of the Tax Laws

Amendment (2009 Measures No. 1) Bill 2009. This bill deals with some tax law reform which improves the fairness and the integrity of the tax system in this country. It does it by three schedules, and I will deal with schedule 2 firstly, then schedule 3 and then schedule 1, which is the main schedule I want to talk about.

Schedule 2 makes some very technical changes to ensure that the general unclaimed superannuation money regime is more consistent with the temporary resident unclaimed superannuation money regime. There are some consequential amendments as a result of the payment of temporary resident superannuation to the Australian government. Schedule 3 gives effect to some reforms with respect to income tests which were announced by the Treasurer in the budget 2008-09. With effect from 1 July 2009 the reforms amend the relevant income tests in the tax and transfer system to include certain salary sacrifice contributions to superannuation, which will henceforth be known as reportable superannuation contributions, net financial investment losses and adjusted or non-grossed fringe benefits.

I listened with interest to the member for Casey talk about the third schedule. I understand the position of the coalition is to support schedule 3, which means that they will be supporting income test changes to include certain salary sacrifice contributions to superannuation. This is interesting because yesterday we heard many unctuous and sanctimonious comments from those opposite on the reform that we are bringing in with respect to social security and, particularly, the Commonwealth seniors healthcare card. Under that legislation and those amendments that we brought into this House yesterday the definition of a cardholder's adjusted taxable income was changed to include income from a superannuation income stream with a taxed source. In other words, there is consistency

between income earners—whether they earn money working at a computer, in a retail outlet or digging ditches for the local council or whether they receive money from an income source from superannuation which is taxed. So effectively taxpayers are treated the same way whether they are wealthy or whether they are working class.

The other aspect of the change we brought in yesterday was to include, in the definition for the cardholder's adjusted taxable income, income being salary sacrificed to superannuation. So yesterday the coalition opposed it and today, with respect to another bill, they support it. There is a real inconsistency in the coalition's position on this matter. One only has to look at the coalition to see that they are Arthur one day and Martha the next on this issue. The comments made yesterday can only be interpreted as political in the circumstances, because, truly, if they were consistent then they would not support our position with respect to schedule 3. The amendments with respect to net financial investment loss are consistent with other reforms and other legislation. For example, losses on rental properties and negatively geared properties are taken into consideration for the purpose of payments of family tax benefit and also for child support assessment. We are making the tax system and the assessment system, with respect to benefits, consistent across the board. Schedule 3 is an important reform and I think it is worthy of support.

Schedule 1 is the schedule I want to talk about in particular. It gives effect to the government's December 2008 announcement to provide relief to small business. I have contended on numerous occasions that this side of the House, the Labor Party, supports small business and always has done. I go back to the Trade Practices Act, which we brought in under the Whitlam government. The Labor Party is the party which supports small busi-

ness. Those opposite on many occasions simply mouth rhetoric, but what action have they taken? One example is the greatest burden that small business bore under the Howard government, which was the imposition of the GST. I was in business for 20 years before I came to this place, and the Howard government increased our administration by bringing in the GST, something they never previously supported but foisted on the Australian taxpayer.

Changes under the Howard government with respect to income tax payment and assessment also caused a lot of grief for taxpayers throughout the country. The PAYG instalment system replaced the provisional tax and company tax instalment system from 1 July 2000. That system was supposed to be designed to ensure efficient collection of company income tax, amongst other payments to the Commonwealth. But if you ask anyone in business they will tell you that the quarterly situation continues to cause them grief. It is a problem for people in business. Having to come up with money every quarter rather than annually is often a burden on cash flow.

Taxpayers who satisfy certain criteria can have their quarterly tax instalments based on the prior adjusted taxable income year. Of course, that is changed for the base year and is reduced by any net capital gain included in the assessable income—except for superannuation entities—by any tax deductions used in calculating that assessable income and by any tax lost, to the extent that it carries forward into the succeeding income year. Businesses, individuals and taxpayers who pay the quarterly payments include certain individuals, small business, multirate trustees and other taxpayers—for example, companies which are taxed as entities—which have \$2 million or less in base assessment instalment income for the previous income year. Many small businesses would have smaller

turnover than that. Those who report more than \$2 million in instalment income for the previous year and are eligible to pay annual PAYG instalments but have not chosen to do so can also pay under the PAYG instalment regime.

Paying tax is a burden if you are in business. We know we all have to do it because we want to travel on good roads and make sure that our hospitals function effectively and that our schools, which educate our children, are cathedrals of learning and education. So we have to pay tax, and business has to pay its fair share. The amendments in this bill have received positive press comment. Peter Anderson from the Australian Chamber of Commerce and Industry, who is not always the greatest friend of this government, talked about the amendments in schedule 1 of this bill as being a boost to business confidence. He applauded the small business tax deferral in that regard. The Australian Chamber of Commerce and Industry also welcomed the measures in the circumstances. Reducing the impost on a temporary basis is good in the circumstances when business is facing the challenges of the global financial crisis.

This bill is important for business. It is important because business and small business make up the heart of the economic development and wealth of this country. Small business is a challenge for anyone. Those who take up the burden and the challenge of small business are on their own in many ways. No-one provides holiday pay for them. No-one provides sick leave for them. They go out on their own and take a punt, and they should be supported as best they can. Small business employs millions of Australians. Whether it is small shops, accountancy practices, doctors' surgeries or trades, small business is the absolute heart of our economic development.

Too often, small business is the forgotten player in our community and is not given the kind of assistance and help that is needed. Big business can lobby hardest and has government relations officers. Big business is often the entity which has the ear of government. It is a tragedy, I think, that small business does not get the voice that it needs in the halls of government. It seems that small business is often left out when it comes to reform as well. So I am so pleased, as someone who was in business for more than 20 years, to support this change. The PAYG instalment system, which is supposed to smooth taxpayers' cash flow throughout a year, is a burden, as I say. It is difficult for taxpayers to meet the quarterly instalment. I sometimes wonder whether, in fact, going back to the days of an annual system would not be better.

Taxpayers pay tax under the Taxation Administration Act. Subdivision 45-L of schedule 1 of that act stipulates the way the Commissioner of Taxation works out the amount of PAYG quarterly instalments. As I say, it is based on GDP adjusted notional tax. There is an uplift factor, of course, which, again, is a challenge for small business people. They get their instalment; then the tax office sends them the letter they do not like to receive and they find they have to increase the amount they have to pay. Every time I received one of those I thought, 'Oh, no, not again.' This is a problem for those in business, so amendments like this, which provides for a 20 per cent reduction of the amount of the PAYG instalment worked out under that subdivision for the quarter including 31 December 2008, are important for small business.

The announced 20 per cent instalment reduction broadly represents the reduction in average instalments necessary in a single quarter to reflect the expected slowdown in small business growth for the 2008-09 in-

come year. We will see that because of a rise in unemployment and a downturn in GDP growth. We have seen six or seven of our trading partners in recession, China's growth slow down for the first time in seven years, Japan go back 4.6 per cent in the last 12 months and the effects on our trading partners' economies wash across our shores as well. For the next year or so we are going to do it pretty tough in Australia, and any help we can give small business is always worthy of consideration and support.

Broadly, a small business is a business that had an aggregate turnover of less than \$2 million in the previous income year. I know that in my electorate of Blair there are many, many businesses which have turnovers less than this. I go through the big shopping centres in my electorate and see small business operators everywhere at shopping centres like Riverlink, Yamanto Shopping Village and Brassall Shopping Centre. All those shopping centres have small business operators, people who are real entrepreneurs and who have taken the risk. They should be rewarded and supported. If we can help them in any way, that is terrific.

The amendments in this schedule are aligned very much with what the Rudd Labor government is doing to help small business across the country. We have announced a \$42 billion Nation Building and Jobs Plan to build infrastructure. Things announced in my electorate of Blair in South-East Queensland will help small business—like trade training centres in Ipswich and the Lockyer Valley. They show the assistance we are giving small business as well, because small business employs tradespeople: carpenters, plumbers and people who work in the other wet trades. Helping our tradespeople and building industry is really important in Ipswich, where the growth in population is so rapid.

Small business operators in my electorate have warmly welcomed the stimulus packages announced last year and earlier this year. I also think the \$2.7 billion tax break to allow small business to claim an additional 30 per cent tax deduction for eligible assets costing \$1,000 or more is tremendous for small business. That is extremely helpful to small businesses who thought about bringing in a new computer system but could not do so, or thought about bringing in a new lathe or buying some more equipment for their business. That is important because now they have a chance to get an increased tax deduction in those circumstances. That will help the operators in manufacturing areas such as Wulkuraka, Ipswich and Raceview. It will help them to achieve what they need to do.

The small business advice we are giving in rolling out business enterprise centres throughout the country is also helping small business, just like the amendments in this legislation. The Ipswich Business Enterprise Centre in my electorate is dealing with not just Ipswich but the rural areas outside as well. It is functioning, operating, helping, mentoring and giving advice to small business. For those people who want to take a chance—tradespeople, those who want to set up business or a franchise or who just want to get ahead and do the best for their family—business advice is really important. Giving money to assist businesses in their pockets and business advice from business advisory services located in suburban, rural and regional areas is so helpful to small business. It beggars belief that those opposite are not supporting our Australian Business Investment Partnership. The Property Council of Australia supports it and the big banks support it—they are putting money in to support it. But those opposite seem to be opposing it. They say they support jobs, but Treasury says we will lose up to 50,000 jobs if foreign banks leave this country. So help-

ing business by establishing the Australian Business Investment Partnership is so important in the commercial property sector in Ipswich and the rural areas. Guess what? Those commercial enterprises employ small businesses. They employ independent contractors and tradespeople to work in those sectors.

The investment in local schools in my electorate is very important too. Yesterday, during the MPI, I announced a number of schools which were looking forward to bringing forward projects. One of the schools which I mentioned, All Saints Primary School at Boonah, is bringing forward their property development by five years. Bethany Lutheran School, which is a little school of about 200 in Ipswich, is bringing forward its redevelopment by about four years as a result of what we are doing. This is making a real difference, because schools cannot just think, 'We'll reconstruct our school'. It gets done by tradespeople and architects, and they are so excited about that. That will help small business in my area and small business generally. This is the biggest school modernisation program in history, supporting construction and tradespeople and small business across the country.

During the many mobile offices I run across Ipswich and the rural areas, what really strikes me is the number of people that come to me and say, 'I am going to buy a house. I am going to build a house. I haven't done that before, but I am going to do that.' We have seen nearly 30,000 first home buyers enter the property market to the end of January as a result of the increase in the first home owners grants. These are practical ways to help small business, because houses get built by trades people and businesspeople. In my electorate it was announced that 133 new homes were to be built, mainly on the south side of Ipswich, by local tradespeople—a \$36.3 million injection into the

local economy. This is extremely important for building confidence in the Ipswich and rural areas. Tragically, we saw a rise in unemployment in the Ipswich and West Moreton areas of about 400 last month. But delivering 711,000 new training places over five years, and the recent \$298 million commitment with the jobs credit account, will make a big difference to helping those people in their transition.

One of the most exciting aspects in my area to help small business and business generally is the redevelopment of RAAF Base Amberley near Ipswich. It is getting an injection of \$1.1 billion by the Rudd Labor government, and that is having a big impact locally in terms of investment, infrastructure and jobs. So investing in roads and infrastructure is really important to help small business. In my area you can see the impact on small business of changes brought in by the jobs plan. You can see what it is going to do to help small business, so the schedule 1 amendment, which provides instalment reduction for small business of 20 per cent, will have a big impact on the small businesses that operate locally. It is to the credit of the government that we have undertaken this task, because helping business is just so important.

I have said before that those on this side of the House are the real advocates of free enterprise. We are the real advocates of free trade and the free market. We support business because we believe that giving people the opportunity to earn an income, to advance in life and to uplift the economic development of themselves and their families is what Labor is all about. It is lifting people up. It is helping people who come from disadvantaged backgrounds, giving them an education, giving them decent health care, giving them help in business. That is what the great Labor tradition is about: nation building, jobs planning, helping the economy

and helping small business. I commend the bill to be House.

Mr PEARCE (Aston) (10.52 am)—I rise in the parliament today to speak to the Tax Laws Amendment (2009 Measures No. 1) Bill 2009. This bill deals with three schedules, all of which represent quite different outcomes. Schedule 1, which is in the area of PAYG relief, will reduce by 20 per cent the PAYG instalment amount for certain entities. This schedule also allows the PAYG instalment amount for quarterly taxpayers to be reduced by regulation rather than legislation. The coalition agrees with this schedule and is pleased that the government now agrees with us that pressure needs to be eased on Australian enterprise to protect and grow jobs.

Schedule 2, which deals with temporary residents super amendments, contains consequential amendments to temporary residents' unclaimed money regime changes made in 2008. The coalition supported legislation that required superannuation funds to pay unclaimed super of former temporary residents to the ATO. That legislation was intended to reduce the amount of unclaimed super funds belonging to temporary residents who have departed Australia. This schedule provides an appropriate compliance regime, which we support as it provides consistency for the superannuation industry.

Let me now move to schedule 3, which is all about reportable superannuation contributions. I am particularly interested in this area of the bill in my capacity as shadow minister for superannuation. This schedule troubles me as it may result in inequitable outcomes for some employees, and I wonder whether or not this may be an unintended consequence of the bill as it is currently drafted. Part 1 of this schedule deals with the definition of reportable superannuation contributions. This definition includes salary sacrificed amounts under the income test when

determining eligibility for government benefits. Part 1 of this schedule creates a new definition for what is called reportable employer superannuation contributions or RESC. When we talk about the RESC this does not include payments made by an employer to meet the compulsory nine per cent superannuation guarantee contribution. It only includes amounts paid by employers in addition to the nine per cent compulsory superannuation contribution. So the new definition of RESC, if this bill passes, would include payments made by the employer to the employee's super fund where the employee 'has, or has had, or might reasonably be expected to have or have had, capacity to influence the size of the payment or the way the amount is contributed so that his or her assessable income is reduced.' Any payments made by an employer to an employee's fund that the employee did not control would not actually be included as RESC.

Let us have a look at how this would apply in the real world. This definition of RESC means that contributions made by an employer as part of an agreement that has been negotiated by a third party are not included. Just because it has been negotiated by a third party, it is not included. Third party agreements can be negotiated by any number of people and entities. But in many cases they are negotiated by a union representative. What concerns me is whether or not this is an unintended consequence of the bill and if this is, in fact, an attempt by the government to infuse some ideological base into the bill, which I think would be to the detriment of Australians.

I am concerned—and I know the member for Batman would join with me in this concern—that this schedule has the potential to create two classes of employees: one class of employees who choose to negotiate their own employment arrangements and another class of employees who choose to have an

arrangement negotiated, for example, by a union representative. They will be treated differently. So my concern is that employees who choose to negotiate their own arrangements will, as a result of this bill, be treated as second-class citizens. Therefore this is not an equity measure, as Australians who choose to salary sacrifice in their super because of an individual decision are going to effectively be punished, and that is where my concern really rests.

On the other hand, contributions made to employee super accounts because of third party agreements—let us say through a union representative agreement—will be afforded an inequitable advantage. Such employees will have their contributions included as RESC whilst those under a union negotiated agreement will not. You have to say to yourself: where is the common sense in that? Is it in the national interest to create these two classes of employees? I know that my colleague the shadow Assistant Treasurer and member for Casey gave an example in his remarks earlier and I want to highlight this example again because I think it demonstrates where the concern rests.

Let us take, for example, somebody working in a business on the left-hand side of a road. They are in a business, working away each and every day. Let us say that directly across the road there is another person working in another business. Let us say that those two people happen to be friends. Let us say that they both earn \$50,000 per year and that both of their employers make a 15 per cent contribution to their superannuation funds. Fifteen per cent of \$50,000 is \$7,500. Let us say that they are both looking at a certain government benefit and that the income test for that government benefit is just a bit above their salary, at about \$51,000. Let us say that the person on one side of the road has reached an agreement with his employer to have 15 per cent paid into his superannua-

tion fund and that the person on the other side of the road has employment conditions that have been determined by a union negotiated agreement. So one person, over here, has determined their own arrangements with their employer, but the person on the other side of the road, earning the same amount of money, has had their arrangements negotiated by a union representative. They are both in the same situation: they are both earning \$50,000 a year and they have \$7,500 contributed to their superannuation fund. The person who has had their arrangements negotiated by the union will be eligible for the government benefit, because the contributions made by his employer above the nine per cent have been determined by the union negotiated agreement. So the person on the right-hand side will be eligible for the government benefit, only because their arrangements have been negotiated by a union representative, but the person across the road, this mate of the other person, will not be eligible for the government benefit because their additional component—that six per cent which is above the nine per cent, making the 15 per cent—has been determined by them; they have negotiated it themselves, and therefore they will not be eligible under the income test.

That is a very practical example, I think, of the concern that the coalition is raising about this bill. Why would you want to create that difference? I know that the Minister for Small Business, Independent Contractors and the Service Economy, who has just joined us in the chamber, would be very concerned about creating differences amongst employees in businesses throughout Australia. Why would you want to do that to two hardworking Australians earning the same amount of money and getting the same contributions to their super? That is a very important thing, because the whole issue of adequacy of superannuation going forward is

a critical concern for Australians. This bill will create those two distinct classes of employees, and that really is what is concerning. The opposition is very concerned about any initiative which creates unfair advantages for particular employees over others. If that is the case—if this unintended consequence of this bill does that—I think it is very difficult for any government to argue that this can be an equity or integrity measure, because the result is inequitable. It is a result that, at its best, will create division and inequity in the workplace, and that is a result which I think is unsatisfactory.

The shadow Assistant Treasurer has highlighted this issue. I think it is also very important to make the point that, in the Senate inquiry into this bill, this issue was also highlighted. The senators raised it as an area of concern. So here is an opportunity for the government to clarify this issue. The government has an opportunity to fix this particular issue in this bill, and I would ask the government to seriously look at this issue and clarify it by moving an amendment which puts this issue beyond doubt and assures the parliament that, in that situation that I identified of two hardworking Australians earning the same amount of money and getting the same level of superannuation, one person will not be treated more favourably than the other and that, in fact, both Australians will be supported equally. I think that is an objective that all members of parliament should be pursuing.

Mr BRADBURY (Lindsay) (11.04 am)—I rise to speak in support of the Tax Laws Amendment (2009 Measures No. 1) Bill 2009. In particular, I wish to make most of my comments in relation to schedule 1 of the bill, which relates to the amendments to the withholding amounts under the PAYG system for small business. I am very pleased to rise to my feet at a time when we have in the chamber with us the Minister for Small

Business, Independent Contractors and the Service Economy, because I know that the minister has very much been leading the charge in delivering benefits to the small business community in what I think we all acknowledge is a very difficult business climate for business generally but in particular for small business.

The initiative outlined in this particular bill is one on which I have received much positive feedback in my local community from small business. The impact of these changes will ensure that, under the pay-as-you-go withholding system that most small businesses would be required to withhold their tax instalments under, there will be an adjustment to the amounts that are required to be withheld to take into account the decline in economic activity and the expected decline that that would lead to in their own profits at the small business level. It would affect quarterly instalment taxpayers. Under the current system, the pay-as-you-go instalments are based upon the GDP adjusted notional tax for those taxpayers. That will continue to be the case, but there will be some amendments that go to correct the fact that the current GDP uplift factor can on occasions be unrepresentative of the expected increase in profits that a small business might be likely to derive.

To explain this point, in the 2008-09 income year, as it presently stands—prior to this measure—the GDP uplift factor is currently about eight per cent. Let us contrast against that eight per cent GDP uplift factor the fact that profit growth for small business is expected to be two per cent under MYEFO. So, when you compare those two figures, you can see that, had the government not sought to act in the way in which we are acting in this bill and as we were acting when the minister made the announcement back before Christmas, small businesses all around this country would be required to

withhold tax at a higher rate—which, obviously, would have had cash flow implications for them.

In reality, at the end of the year, the tax liability of the particular taxpayer will be reconciled, and they will pay tax according to the income that has been derived throughout the income year. An anomaly would exist as a result of the operation of the GDP uplift factor, as it currently stands, if the government did not act. That anomaly would ensure that small businesses were being required to withhold a significant amount—indeed, an excessive amount—of money when we consider what we might reasonably expect them to be liable to pay, in terms of tax, at the end of the financial year.

The impact of this measure is of great significance in local communities right around the country in relieving the burden of having to withhold that additional amount. It does free up much needed cash flow for businesses that are already doing it tough in a very difficult business environment. I have to say that the feedback I get in my local community is that many small businesses are doing it tough. I also want to put on record the fact that I have had many reports of local small businesses that have been doing very well. No doubt, those businesses that have a very sound business model and are very well managed have been able, in some cases, to do reasonably well in recent times. But I think they are the exception, and there are many others that are doing it tough.

I have had many reports to me in my electorate office and as I move around throughout my local community about the impact of cash flow. More and more small businesses are reporting to me the fact that their debtors are not making payment within the 30-day period—in some cases not within 60 days or 90 days—and, indeed, it is blowing out. Many local small business owners and op-

erators are reporting to me that even their good customers—the customers that have always stood by them and have always tried to pay on time, many of whom are often facing the same cash flow difficulties themselves—have found it more difficult to make their payment timetables than might previously have been the case. This, obviously, has a very big impact on a small operation—a small business will be very much affected by cash flow difficulties. That is why I think this measure is so significant. It is one of the most significant proposals to address the specific issue of cash flow for small business out there in the public domain at the moment.

I understand that the measure will impact on approximately 1.3 million small businesses, so its impact right around the country will be significant. It applies to the instalment amount shown on the BAS for the quarter ending 31 December 2008. In addition to introducing this measure, the bill also contains a measure that allows—on an ongoing basis—for a regulation-making power so that this situation can be monitored and adjusted as the times require. Obviously, where there is a significant, sharp and—for many—unexpected turnaround in their own local small business activity then the operation of the usual calculations under the GDP uplift factor will create the anomaly that has led to this change. So it makes sense to allow for and to provide for regulation-making power to ensure that—where sharp changes in economic activity occur—decisions can be taken to liberate some cash flow for small business, particularly in those cases where it is apparent and evident that they will not be required at the end of the financial year to pay the amount of tax that they would otherwise be required to withhold.

This measure is an important measure, but it is a measure that should be considered in the context of the many other measures that

the government has introduced to try to assist small business. I was talking earlier about some of the difficulties that small businesses have reported to me in my community. Apart from the cash flow issue, many have said to me—and cash flow is often connected to this issue—that they are finding it more difficult to secure and maintain their financing arrangements with their lenders. In this regard, I commend the minister for the good work that he has done in convening a roundtable with small businesses, banks and other lenders. The work that has been undertaken at that level has led to a communique. I think it was a brave decision on the minister's part to open himself up and to open up his office as a clearing house for these particular issues. Not only was it a brave decision; it was the decision of a minister who is so committed to his constituency that he is prepared to take on that very practical and very helpful responsibility of receiving those complaints and then following them up with the lenders. I think that is something that has been very much welcomed throughout the small business community in this country.

One of the issues that small businesses have been reporting back to me, in addition to the cash flow issue, is the financing issue. For many of them, there is a more specific issue that they raise, and that is that, often, their ability to access finance is largely secured by their own property—their own assets. In a context where, in some cases, property values have declined, it is increasingly difficult for small business to rely upon the assets that they have within their portfolio—in some cases, it may be as simple as the family home. Where those assets are being relied upon as the security upon which any borrowings are sought, it is obviously very significant to consider what impacts are occurring out there in the property market more generally.

A point which I think is not made often enough is that the first home owners grant has also had an impact for small business at that level. The first home owners grant, by providing added stimulus in the residential property market, has ensured that there has been something of a floor put in that market. Certainly the feedback that I have been receiving from local real estate agents in my community is that this has stimulated the property market, particularly the first home owners end of the market and, in doing so, has provided a floor in the market which has had a flow-on impact and benefit for those small businesses that are relying upon assets that they hold in the property market. Having this floor in the market has provided them with the security that they need to have more concrete discussions with the banks in order to secure the funds that they need. As I mentioned earlier, cash flow issues are putting more pressure on small business and, in many cases, that is leading businesses that otherwise would not have had to seek out those additional financing facilities now being required to do so.

This measure really needs to be considered along with the suite of other measures that have been put in place, including those that were contained within the Economic Security Strategy, which was handed down in October—and the payments which started to flow through the economy in December—and also, more particularly, the most recent round of stimulus payments. In respect of those payments, there has been considerable support within my local community for a campaign that I have been trying to run under the banner of 'Keep Penrith Working'. I have had much support from the local business organisations. In particular, I wish to acknowledge the very strong support that I have received from Jill Woods, the Chief Executive Officer of the Penrith Valley Chamber of Commerce, and Mr John Todd,

General Manager of the Business Enterprise Centre. I note in passing the efforts of the minister in providing additional funding on a recurrent basis to the Business Enterprise Centre. I know that that contribution of funding has allowed the centre to provide a suite of services to local small business that they previously did not have the capacity to deliver. They have provided a great and outstanding service, helping small business in our community, and with that added assistance they have been able to provide even more help at a time when it is very much needed.

In addition, I have had support from Paul Brennan of the PVEDC; Gladys Reed, the General Manager of the Penrith City Centre Association; Peter Jackson-Calway, the Manager of the St Marys Town Centre Management Committee; and Mr Ian Palmer, from the Schools Industry Partnership. I also wish to acknowledge the council, under the leadership of the mayor, Councillor Jim Aitken, and Mr Alan Stoneham, the General Manager of the Penrith City Council, for the work that they have been doing in getting behind this initiative.

The first stage of the 'Keep Penrith Working' initiative commenced with a campaign in the local media, supported by local business groups. We ran very hard on the first tranche of stimulus payments coming through over the last week or so. We brought the local business groups together and called upon local residents to spend locally when they started receiving those cash payments—and many have already started to receive them. We asked them to think about what they can achieve for their local community—for themselves, their family, their neighbours and other people in their community. By spending their money thoughtfully and in the local economy, they can actually help to support the jobs of the people living in their community. It is an important initiative—one

that I am very pleased to be associated with. I thank those groups for lending their support and getting behind this proposal.

Mr Ciobo—Have you delivered one job?

Mr BRADBURY—The shadow minister at the table is asking whether any of these measures have delivered any additional jobs. I was talking a moment ago about the first home owners grant. Specifically on that point, the Minister for Housing was pleased to report to the House the other day that recently at Ropes Crossing, Delfin Lend Lease, in response to the uptake in demand for the housing as a result of the first home owners grant, have now had to put on an extra 36 people in my local community—36 extra people. So, as to whether I am able to produce evidence of one job, I have produced evidence of 36. Clearly, there are many more jobs in my local community that are being delivered as a result of the stimulus efforts of the government, but that is just one example.

I also wish to comment briefly on some of the other measures that complement the 20 per cent reduction in PAYG instalments by directing my comments towards the small and general business tax deduction, which was originally announced at 10 per cent but then was increased to 30 per cent as a result of the most recent stimulus package announcements. I mentioned earlier the good work of the Penrith Business Enterprise Centre. John Todd reported to me recently that his office has received numerous phone calls requesting more information about this particular measure. He said, 'It's clearly a measure that's getting out there. I think it is being promoted by the accountants as something that will assist local small businesses and, as a result of that, there is real interest in this measure.' It is a significant measure because it will not only encourage business owners not to defer making an investment in a capital item for a business but also en-

able people to bring forward some of those purchases. It is significant because of the flow-on effects from that investment having been made. I note that the opposition has been critical of this proposal. At the time of the announcement, the Leader of the Opposition made some comments in relation to the stimulus package, and I quote him from a doorstep, where he said:

You see what he has offered—

and I am assuming he is referring to the Prime Minister—

small business, the only thing he has offered small business in this package is a 30 per cent depreciation, a tax deduction in effect, for equipment purchased this year. But if you're a small business and you don't need any new equipment, maybe you've got all the equipment you need, or you're struggling with your own cash flow problem, that actually isn't much help at all.

I would not expect the Leader of the Opposition to acknowledge the benefits that flow from the PAYG initiative, the reduction in instalments required to be paid. It is not his job to promote the good aspects of government policy, but I certainly wish to ensure that the positive benefits of that measure are noted here today.

Let us look at what the Leader of the Opposition said. He said, 'This is of no real benefit to small business and certainly does not provide any immediate or direct stimulus to the economy.' I find it extraordinary that, just a few days earlier, the Leader of the Opposition made some comments in relation to his own proposals for depreciation allowances and various tax deductions and he made a completely contradictory point. On that occasion, a journalist asked him a question in relation to his proposals:

That won't have any short-term stimulus effects, will it, or even medium-term?

Mr Turnbull's response was:

... with great respect you are completely wrong, because if you provide accelerated depreciation and an incentive for people to invest in more efficient buildings, more efficient water systems, more efficient lighting systems, they've got to hire a contractor to do the work. And so immediately people are put to work. So that's the type of policy that will get you an immediate pay-off in economic activity and in employment.

What I fail to understand here—and I think I fail to understand it because of the logical inconsistency in what the Leader of the Opposition has said—is how the Leader of the Opposition's depreciation allowance is going to create economic activity, short-term stimulus and jobs, yet our proposal is not going to deliver that. (*Time expired*)

Mr CIOBO (Moncrieff) (11.24 am)—As shadow minister for small business, I am pleased to rise to talk about the policy that is before the House today, the policy that Labor is introducing as part of its pitch to the small business sector. We know—it is often quoted and has perhaps become a cliché but for good reason—that small business is the engine room of the Australian economy. Right now there are about two million small businesses out there, employing around 3.8 million Australians, who are doing it tough. They are doing it tough for a variety of reasons. No doubt the global economic crisis is one of those reasons. But, in many respects, they are doing it tough as a direct result of this government's failed and flawed policies that are not only not assisting small business but actually making it tougher for small business.

I noted what was said by the member for Lindsay, who spoke before me. He raised a whole raft of different points, and I would like to embrace some discussion on a couple of those points. I found it most fascinating that the strongest argument the member for Lindsay could put forward about what the Labor government was doing for small busi-

ness was to talk about how the first home owners grant was providing a floor underneath home values. The member for Lindsay came into this chamber and said, 'I recognise that a couple of small businesses'—can I say to the member for Lindsay that it is not a couple; it is the majority of small businesses in this country. These are men and women who put their very houses at stake, who take real risks out there to generate value and to employ Australians. They do it with their houses at stake. It is not 'a couple'; it is the majority, Member for Lindsay. And if you had any conceptual understanding of the real risks that these small business men and women face when they make a decision to open a shopfront or to employ an Australian, you would understand how pithy it is for you and other Labor members to say to them, 'Well, we have made it a bit easier for you because we have put a floor underneath your house values through the first home owners grant.' What an indictment of the Labor Party that that is one of the strongest arguments that Labor can come up with about what they are doing to assist small business in this country. It is no wonder that Australian small business men and women are looking at this government and shaking their heads in disbelief.

The measure that we have before the chamber today in many respects demonstrates how completely out of touch the Labor Party is with small business. It is bad enough that we have union hack after union hack coming into this chamber trying to talk about how much they understand small business. The reality is that the closest most Labor members have gotten to a small business is when they have walked in the front door to buy a coffee. That is about as close as most Labor MPs get to small businesses in Australia.

The measure that is before the House today is an interesting measure. It is an inter-

esting measure because it is, for all intents and purposes, largely a copy of a policy announcement that I made months earlier. When I was going around Australia talking to small business representatives—small business lobby groups, peak advocacy groups and, most importantly, the men and women who run small businesses—they were saying to me: 'Look, you have got to understand that we are under massive cash flow problems—massive cash flow pressure. What we need is government policy that will help to alleviate the cash flow problems that we have as small business owners.'

So, on the basis of that, I put my head together with that of the Leader of the Opposition and we came up with a pretty good policy that would directly go towards assisting small business owners. We knew that small business owners were saying to us: 'Look, we don't really know how bad this economic downturn is going to be. We don't really know what the impact is going to be on our revenue figures. We don't really know what is going to happen with our costs. We would like to be able to vary our PAYG instalment payments so that we can basically make an educated guess but, if we get it wrong, not be penalised.' The current law is that a small business owner, when making their PAYG instalment payments, can have a margin of error on their variation of up to 15 per cent. If the margin of error is in excess of 15 per cent, the tax office penalises them for getting it wrong.

The Leader of the Opposition and I announced on 20 November last year a proposal that said: why don't we double the margin of error from 15 per cent to 30 per cent? By doing that, we can ensure that small business owners retain control of the variation they seek on their PAYG instalment and, if they get it wrong—because these are unique economic circumstances in relative terms—they are not going to get whacked

around the head by the Australian Taxation Office. That is the policy that I announced on 20 November. So, lo and behold, with the Labor Party completely bereft of policies, the small business minister went to the Labor Party policy cupboard labelled 'small business policy ideas', opened the doors and found nothing there. It was just staring back at him. Then the Liberal Party announced a policy and the small business minister said: 'Thank goodness! We can have a policy now. We will just copy the Liberal Party policy and tweak it a bit.' That is what happened. The Labor Party went out there and announced their policy, and they said, 'What we're going to do is to give every small business in the country a 20 per cent deduction on their PAYG instalment.' It sounds reasonable, except for a couple of problems. It is an inferior policy to the proposal that was put forward by the coalition, because not every business wants a 20 per cent deduction.

Under Labor's policy, with a 20 per cent automatic deduction coming through on, for lack of a better term, invoices from the Australian Taxation Office on the PAYG instalment, you could be a business that has actually had a revenue increase.

Dr Emerson—You said there aren't any of those.

Mr CIOBO—No, I did not say there aren't any. I never once said that there aren't any. The fact is that you could be a business that has actually had a revenue increase. There will not be many, but there will be some. You could have had a revenue increase, yet you are going to get a 20 per cent deduction from the tax office. If they pay that amount from the tax office at a 20 per cent deduction, and the margin of error compared with their final return is out by more than 15 per cent, what happens? They are going to get whacked with a penalty from the tax office. That is why this Labor Party pol-

icy is a very inferior policy to the coalition's policy.

I have got to say that the minister at the table, the Minister for Small Business, Independent Contractors and the Service Economy, knows that to be true. He knows that there are going to be small businesses out there that are potentially going to get whacked with a penalty from the tax office as a result of Labor's policy. That is why the minister has got his head down. He knows that this policy is inferior to the policy that the coalition put forward. He knows that there will be small business men and women in this country who, as a direct result of this flawed policy, are going to get whacked with penalties from the tax office.

Instead of adopting the coalition's policy, which would have been a far superior policy for small business and would have enabled the small business owner, who knows their business best, to make an educated guess about what they wanted to do—'Do we want to reduce our PAYG instalments by 10 per cent, 20 per cent, 30 per cent or maybe even increase them?'—the government, in typical Labor Party fashion, has said: 'No. One size fits all. You're all going to get a 20 per cent reduction on your PAYG instalment.' And there is a little asterisk at the end of that which says that if the margin of error is more than 15 per cent when it comes to the final payment, it is bad luck. The small business owner is going to get whacked around the head by the ATO and have to pay a penalty. That is what Labor just does not understand about small business. That is what Labor just does not get about small business. At the end of the day, we have a group of people sitting on that side of the chamber and the closest they have come to small business is to walk into a small business and buy themselves a coffee. That is the problem. My concern is that they are so out of touch with the actual needs of small business that they are just

getting it wrong when it comes to small business policy.

I note that the member for Lindsay and others in this debate have spoken about Labor's 30 per cent investment allowance. Again, on the face of it, it seems reasonable. You would probably accept Labor's investment allowance if there were nothing else offered, and unfortunately that is currently the situation from the Labor Party. But Labor fails to understand that you have got to have a dollar to spend a dollar. There is no point having a 30 per cent investment allowance if you are in small business and you are struggling with cash flow and do not have any money to spend. There is no point providing them with a 30 per cent allowance when they do not even have a dollar to spend because they are under cash flow stress. If there is one clear and consistent message that small business is delivering time and time again, it is: 'We have cash flow stress at the moment. The best thing you can do is to free up our cash flow.' You do not free up cash flow by providing an incentive to small business and saying to them, 'Spend more money and you will get 30 per cent back.' It is great if you happen to be one of those fortunate businesses that are awash with cash and can invest more money. But if you are one of those businesses that does not have a need to purchase plant and equipment, if you are one of those businesses that is faced with a cash flow situation that does not free up cash to invest in new plant and equipment, it does nothing for you. Labor just does not understand that. That is why the coalition's proposal is far superior.

Mr Bidgood—You don't understand productivity, do you?

Mr CIOBO—I hear the member opposite saying that the coalition do not understand productivity. Let me say to the member: not only do we understand productivity; if the

Labor Party understood productivity they would not confine their investment allowance to plant and equipment. They would include intellectual property and productive investment such as software. This just demonstrates again why this government is all talk. They talk about productivity but the reality is that, under Labor's proposal, if you purchase software which will boost productivity you are not eligible for the investment. I think that the member opposite ought to get educated about what his own policy is, because quite clearly he has no idea.

The DEPUTY SPEAKER (Mr S Georganas)—I ask the members opposite to keep their voices down. It is very hard to hear what the member for Moncrieff is saying. There are ample opportunities in this place to have your views heard. At the moment the member for Moncrieff is on his feet and he has the say.

Mr CIOBO—Thank you for the protection of the chair, Mr Deputy Speaker. In other aspects of the Labor Party's failed small business policy, again Labor's actions do not match their rhetoric. The Labor Party say that they are concerned about cash flow and about small business costs. I have already demonstrated how the Tax Laws Amendment (2009 Measures No. 1) Bill 2009, which is before the parliament today, does very little for small business and, to the extent that it does assist small business, it will also actually penalise a number of Australian small businesses. I have demonstrated how the government's investment allowance is basically useless for a lot of small businesses because if they are cash strapped or in a situation where they do not need new plant and equipment it is not going to do anything for them. I note that the member for Lindsay said earlier that he did not really understand the point that the Leader of the Opposition was making—well, that is the point. The Leader of the Opposition made it perfectly

clear that for many small businesses Labor's investment allowance was next to useless. It stands in stark contrast to the coalition's policy—the proposal of the Leader of the Opposition that the member for Lindsay spoke of—which would not apply only to small businesses that are already cash strapped; that is the key difference.

We get to the all-important issue of what Labor's policy is doing to business operating costs. We know that at the moment Labor are seeking a whole raft of reforms on industrial relations, a key component of which are moves to modern awards. So far, pharmacies, restaurants and caterers, retailers and newsagents have all come out and said that, as a direct result of Labor's industrial relations changes, business costs will increase from 10 per cent to 30 per cent and that, at a time when businesses are doing it tough, the only way they can deal with this increased labour impost on their businesses is to shed staff. I say to members opposite: do not take my word for it as the shadow minister; read and understand the press releases from the Newsagents Federation, Restaurant & Catering and the Retailers Association when they say that small-business owners will be shedding jobs because they now face a 10 to 30 per cent increase in their operating costs thanks to Labor's policies.

The member for Lindsay and other members come into this chamber and wring their hands and say how concerned they are about the employment of Australians, but I say to them: if you were genuinely concerned about employment in this country you would reverse this failed policy that Labor has put forward. There will be thousands, probably tens of thousands, of jobs lost. The restaurant and catering industry alone predicts 8,000 job losses as a result of Labor's changes. We have members standing up and saying, 'There were 36 new jobs created in this area.' But there are going to be 8,000 job

losses in that one sector alone. Multiply that across the economy and we are talking about tens of thousands of jobs being destroyed by Labor's industrial relations changes and their modern awards program. It will be cold comfort to those so-called working families, as the Prime Minister calls them. There are not too many working families under this Labor government. There are plenty of 'redundancy families' but there are not too many working families.

I note that the bill provides a regulation-making power to allow the amount of PAYG instalment worked out under section 45-400 to be reduced in the future. Significantly, it does not provide any relief in the permitted margin for error in instalment amount variations. This goes to the central point I was making earlier. If Labor were serious about making it easier for small business then the minister—and I appeal to Minister Emerson at the table—would amend the legislation to increase the margin for error. Allow businesses to have a greater margin for error before the tax office seeks to impose a penalty, because that will improve the policy that is before the House today. This policy is one very small step. It does not do much for small business. But if Labor changed just this aspect of the bill it would make it a little bit easier for small business owners—who might, as I said, be at a distinct disadvantage as a result of this policy—because it would mean they were not going to get whacked with a penalty from the tax office.

As the explanatory memorandum accompanying the bill notes:

While taxpayers may vary their instalment amounts calculated and notified by the Commissioner themselves, many are reluctant to do so, as underpayments can trigger—

the general interest charge penalty I spoke about. Again, that is why the coalition's proposal to increase the margin for error from

15 to 30 per cent would make a significant difference to small businesses right across Australia. The current penalty unreasonably discourages small businesses from using that tool under the PAYG instalment revisions to manage their cash flow. PAYG instalment revisions are an important way that small businesses can manage their cash flow. That is part of the reason they are there—to assist small businesses to manage their cash flow. The last thing we need is for small businesses to face extra penalties as a direct result of Labor's policy.

It is time that Labor removed themselves from the trade union movement long enough to get a bearing on what is going to directly assist small business. It is not going to be modern awards; it is not going to be loose promises about on-time payments from government—which I know is a very big point for the minister at the table. The Labor Party trumpet how they are the champions of small business because they are going to make sure that the Australia government pays on time. The fascinating thing is that, ever since the Labor Party were elected, on-time payments have gone backwards. Now, fewer small businesses are being paid on time. It is one thing for the Prime Minister to announce, 'We are going to make sure small businesses are paid on time.' It is one thing to put that into print. But it is a whole different thing to actually execute that promise. The reality is that things have gotten worse under this Labor government.

Labor in New South Wales, give them long enough, will just stop paying bills altogether. That is what has happened in New South Wales under the Labor Party. If you were a creditor of NSW Health and they ran out of money it would be: 'Tough luck; we will pay you when we can. It could be in six months.' We know that it is possibly only a matter of time before federal Labor become the basket case that New South Wales Labor

are. At \$2 billion per week, they are racking up enough debt to get us there very quickly.

In summary, the coalition acknowledges that the bill before the House will have a small beneficial impact on small business. It could have a much larger beneficial impact on small business if Labor did a couple of simple things such as increasing the margin for error to give small businesses back the tools to make revisions themselves without threat of penalty rather than having a one-size-fits-all, 20 per cent approach. It is okay but it is not great. I hope that Labor will continue to watch coalition policy announcements in the small-business arena so that in the future they might have ideas as well. (*Time expired*)

Mr CHEESEMAN (Corangamite) (11.44 am)—I rise today to speak on the Tax Laws Amendment (2009 Measures No. 1) Bill 2009, which deals with three main areas, but before I do that I might make some comments about the opposition's small business spokesman, the member for Moncrieff. I have never heard such a diatribe coming from a representative of the Liberal Party on small business. The real question for the member for Moncrieff is whether he supports the current opposition leader or whether he is a fan of the member for Higgins. That is the real question that he needs to make very clear on the record.

Mr Ciobo interjecting—

Mr CHEESEMAN—Well, there is certainly no doubt that you do not support small business. These measures are very important for small business. These taxation amendments do a number of things. Schedule 1 covers the government's announcement of December 2008 and reduces PAYG instalments to provide relief for small businesses—a very important aspect of this bill. Schedule 2 provides greater coherence and consistency on unclaimed superannuation for

temporary residents. Schedule 3 gives effect to the reforms to income tests announced in the 2008-09 budget.

These are very important reforms. Millions of small businesses will benefit along with other taxpayers. However, before I go into the detail of the bill, I would like to make some broader remarks about taxation, and I believe the content of this bill facilitates those conversations. Firstly, as a new member of parliament, someone who was elected at the 2007 federal election, I think it is important that I make some in principle remarks about my views on taxation generally. I would like to make some clear statements on the core issues so that people know where I stand on these types of matters.

The word 'taxation', as it has developed in much of the Western world, has become a byword for bad. That is something that I have never understood. In my view, taxation is a manifestation of civilisation. Fundamentally, it is about people making a contribution to their community and to people who are less well off. Certainly, some countries have structured their economies in such a way that taxes are used for purposes that they should not be, and there are tax regimes that drive inefficiencies and reduce incentives and productivity. But taxation is often, in large part, a sign of the generosity of a society or culture. For example, I believe taxation revenues that are used to help out the needy or the disadvantaged in a targeted and useful way is a very important thing for a society to be doing. In fact, I would go as far as to say that unless a society sets its tax levels such that it can build quality education systems and quality schools and train and pay quality teachers then the society is doomed in a modern world. Tax revenues directed towards education are in fact a most worthwhile investment and can make a contribution to the set of financial circumstances that we have.

It is inherently good for a society, in my view, and inherently in the economic interests of society to have a modern taxation system. Nevertheless, despite the fact that there are so many positive arguments and examples as to the good use of taxation and the necessity for taxation, much negativity has been associated with taxation, and that is in large part because of the ideological jihad that has been waged on taxation by the neoliberals and others of conservative origins. The neoliberal mantra which exists, despite all of the evidence, has been that there is one economic policy solution for everything—tax cuts, tax cuts, tax cuts. It is more of a theology for those people than an ideology, in my view. No matter what is happening in the economy, the refrain today from the Liberals and the conservatives is always the same. The foolishness of this blind adherence has never been better illustrated than it was today by the member for Moncrieff.

Let us compare the difference between the economic predicament of the United States of America today and that of Australia today. Whilst there are clearly a number of economic factors at work in the meltdown of the American economy, in my view, one of the most important contributing factors has been the policy the Republicans continue to take to the electorate—that is, of course, tax cuts, tax cuts, tax cuts. This has plunged America into unprecedented levels of debt. Significantly, Americans had a massive level of debt when the financial crisis arrived over the last year or so. The pot of gold at the end of the rainbow, the Republican tax-cutting rainbow, never materialised. It was an illusion and it always has been. The theory went: if you cut taxes you grow the overall economy, so the overall tax take increases. That just never happened—certainly not to the level created by such a healthy economy. The reckless Republicans kept cutting taxes, especially for the rich, but their economy

never responded the way that they expected. Year after year, despite mounting evidence that the theory was less credible than the tooth fairy, they kept believing in it. Debt levels rose and rose. Demands for services of course continued. Revenues were not there to pay for those services. As the lack of investment in social infrastructure continued and the need grew, so did the US deficit. There was a massive US debt to pay, a huge mismatch in social infrastructure and need, and a lot of scepticism in the US economy.

Mr Pearce—Mr Deputy Speaker, I rise on a point of order. I would ask you to bring the member back to the bill before the House.

The DEPUTY SPEAKER (Mr S Georganas)—I have been listening very carefully to the member's speech. The bill is an amendment to the tax legislation. He is giving his views on taxation and some overseas examples. Even though the member is very close to the border, I think he is within order.

Mr CHEESEMAN—Thank you, Mr Deputy Speaker. I will, of course, come back to the bill before us today in short while, but I think it is important that we put on record the international context of these issues. I think it is important that we compare what we do here in Australia with other taxation regimes. The reality is that we do live in an international economy and, more than ever, the relationships that exist between our countries and our economies are growing, and I think it is important that we put some of these comments on the record.

So what have we been left to deal with as a citizen of the international community? The American taxation policy and debt levels have had a double-whammy effect. They have deepened their economic crisis and reduced very significantly their capacity to respond with policy settings that will help them dig themselves out of their crisis. In short, America's previous tax policy has

magnified the current financial crisis that is crippling their economy. That crippled capacity makes it much more difficult for their economy to respond. On top of this, the US social policy has lagged behind the standards of most other advanced Western democracies.

In contrast, Australia, with a balanced tax policy, has been able to respond. We have been able to provide both a sensible and a bold response because we know our debt is manageable. I am not an advocate for high taxation. I am a very strong advocate for balanced taxation. I am an advocate for sensible taxation levels that enable us to provide for a decent society. Yes, sometimes the time is right to cut taxes. Sometimes cutting taxes is the right thing to do. There is a right time to provide tax relief. There is a right time to cut taxes to stimulate the economy. But this is very much a judgment call that our government is making. It is not an easy decision to make, but we are making those tough decisions.

A society that can provide decent services through taxation whilst still maintaining budget surpluses whenever possible and taxation levels that enable businesses to grow and thrive is a society that is on the right track. We have seen what the result has been when a group of ideologically-driven neoliberals have waged a jihad on our taxation system. We see it today, I think, right now in America, in an economy that is crippled and that cannot necessarily respond in the way it—

Mr Pearce—Mr Deputy Speaker, I ask you to ask the member for Corangamite not to move away from your earlier ruling. This bill is a taxation bill in Australia, and I would ask him to come back to Australia.

The DEPUTY SPEAKER—The member will resume his seat. There is no point of order.

Mr CHEESEMAN—Deputy Speaker, I put it to you that Australia is an example of the reverse of the United States, because we have had a more balanced taxation regime in place and because we have run budget surpluses. Our economy is in better shape to respond to the set of financial circumstances that exist internationally. In response to this international financial crisis, government surpluses built up by previous Labor and Liberal governments are now able to be poured into projects that can cushion the economy. Not only can they do that; put into areas such as education infrastructure, they will make our country even more productive and efficient into the future and create thousands of jobs. That is where I stand on the broad question of taxation. I stand for taxation levels that balance maintaining surpluses in good economic times so that we have the financial capacity to respond with economic stimulus in times of economic downturns—tax levels that are well targeted to social services balanced with tax levels that allow businesses to thrive and grow.

I will now return to the detail of this bill. We are refining a bill to deliver a balanced outcome on pay-as-you-go taxes, amongst other things. This bill covers three areas. The amendments will provide a 20 per cent reduction in the amount of PAYG instalments worked out under section 45 and other sections that follow for the quarter that includes 31 December 2008 for certain small business taxpayers; and a regulation-making power to allow the amount of the PAYG instalments worked out under the section to be reduced in the future in circumstances specified by the regulations within these arrangements.

The announced 20 per cent PAYG instalment reduction measure for small businesses broadly represents the reduction in average instalments necessary in a single quarter to reflect the expected slowing in small business profit growth for 2008-09. So what we

are doing is providing a better balance in the current economic climate.

Schedule 2 makes the general unclaimed superannuation money regime more consistent with the temporary resident unclaimed superannuation money regime and other consequential amendments as a result of the payment of temporary residents' superannuation to the Australian government.

Schedule 3 gives effect to the reforms to income tests announced in the 2008-09 budget. The reforms amend relevant income tests in the tax and transfer system to include certain salary sacrificed contributions to superannuation and net financial investment losses.

As I said, this bill shows the balanced approach this government is taking in relation to our taxation system. But, just as importantly, it shows that we as a government are prepared to move quickly and decisively to assist small businesses to weather the global financial crisis. The 20 per cent cut in the February instalment provides important and effective help to small business. It provides immediate and much needed cash flow for small businesses. Around 1.3 million small businesses with aggregated turnover of \$2 million per annum or less will get immediate taxation relief.

So that is what we are doing as a government. We are providing a balanced taxation regime. We are providing immediate financial relief to families through cash bonuses. We are providing jobs by putting surplus money into social infrastructure, particularly education infrastructure. We are providing immediate taxation relief to small businesses. This help to 1.3 million small businesses will help sustain employment for the millions of employees working for these businesses and will be a big boost for our economy and jobs when it is needed.

I sometimes wonder what the opposition would have done in response to the financial crisis that has been whipping around the world. It is certainly very hard to tell from their current responses, which chop and change day by day or hour by hour. But I am pretty sure they would have had a fairly lethargic response. They would have gone down the same path as their American ideological idols. They would have chased the illusory pot of gold at the end of the Republican economic rainbow. They would have cut a narrow band of taxes, putting in place long-term structural deficits. They would have cut income taxes, mainly for the rich. They would have closed their eyes wishing, hoping, believing and expecting that everything would just go away.

Mr Robert—Mr Deputy Speaker, on a point of order: standing order 75 goes to tedious and repetitious speeches. We have—

The DEPUTY SPEAKER—There is no point of order.

Mr CHEESEMAN—This is certainly a very significant bill. It will help small businesses, it will help to keep our economy ticking over and it will help to shelter our economy from the worst excesses of the world financial crisis. I commend the bill to the House.

Mr ROBERT (Fadden) (12.04 pm)—I rise to speak on the Tax Laws Amendment (2009 Measures No. 1) Bill 2009. Firstly, may I express to the House my outrage at some of the statements we have just heard from the member for Corangamite. His speech was not only tedious and repetitious but also somewhat misleading, and the fact that I cannot get those 20 minutes of my life back again is also slightly annoying. It is simply utterly outrageous for someone from the government to walk into this House and say with blatant effrontery, audacity and indeed temerity that the \$42 billion to be spent

on social infrastructure is coming out of ‘surpluses’. The figures show that, in December, this government was \$14 billion in the red. The member for Corangamite stood here and spoke of the government’s record of surplus, but this government has delivered not a single surplus.

The 2007-08 budget, framed by the Howard-Costello government, delivered a surplus of \$18 billion or \$19 billion and it was a credit to the Howard-Costello years. The 2008-09 budget, which was framed with such fanfare by the Labor government to show a \$22 billion surplus, was \$14 billion in the red by December. Yet the member for Corangamite walks in here and talks about the government’s record of surpluses and the government’s \$42 billion cash splash for social infrastructure that is coming out of the ‘surplus money’ that is just floating around in the government system. Clearly he was on planet Zorb when the government brought in a bill to borrow \$200 billion, to increase the issuance of government bonds by \$125 billion to allow \$200 billion worth of debt. Clearly he was on the moon Zorbette, which goes around planet Zorb, when yesterday the government brought in Ruddbank to take contingent liability up to \$28 billion. This government is putting this nation \$228 billion in hock.

Let us compare that to the Howard-Costello years. We paid off \$96 billion of debt. We paid off \$56 billion of interest on that debt. That is \$152 billion. We put \$60 billion in the Future Fund. That is \$215 billion.

Mr Price—Mr Deputy Speaker, I raise a point of order. I would like to draw your attention to the fact that the honourable member has yet to address one element in this bill. I do think that, whilst you have been generous in allowing a wide-ranging discussion—

The DEPUTY SPEAKER (Mr S Georganas)—The Chief Government Whip will resume his seat. I have been listening very carefully. The member is talking about deficits and surpluses, which I am sure will lead into the bill very soon.

Mr ROBERT—With great respect to the Chief Government Whip, the member for Corangamite spent 15 minutes on nonsense and then had the hide to say, with five minutes to go, ‘Now I’ll direct my attention to the bill.’

The Howard government also left \$20 billion in the bank—\$232 billion was what the Howard-Costello years either paid off in debt or mounted up in surplus, compared to the \$228 billion of debt that the Rudd government has put in. That is almost half a trillion dollars of daylight between our side of politics and the Labor Party’s. So for the member for Corangamite to walk in here and speak about surpluses is simply and patently ludicrous.

This bill—in deference to the Chief Government Whip—has three schedules. Schedule 1 provides for a 20 per cent reduction in PAYG instalment amounts for certain small business taxpayers and amends the law to allow PAYG instalment amounts to be determined by regulations. On the surface, that is a reasonable measure. Yet, if we look into it, it is a deferral of 20 per cent of what we knew previously as provisional tax and now know as instalment amounts. So the instalment amount is reduced by 20 per cent, but the tax payable on the income still needs to be paid at the end of the financial year. There is actually no permanent relief; it is a temporary relief. Whilst I acknowledge the government’s other measure for small business of increasing up to 30 per cent the ability to expense items of a capital nature, that is it for small business.

Small business employs 46.5 per cent of people in this nation. It is the powerhouse of this nation’s employment. And that is all the government is going to give us: a deferral of 20 per cent of PAYG instalments, which will be paid in full at tax time, and assistance with the expensing of items of a capital nature. Thirteen billion dollars gets splashed around to individuals, and I am sure they will appreciate it, but we know that 80 per cent of the December cash splash was saved. We know money from the US experiment in cash splashing, albeit through tax rebates, was saved. Of the \$13 billion, 80 per cent will be saved. It will have no great input into consumption.

That \$42 billion package, rather than being spent on Pink Batts, boom gates and social infrastructure, which only has a 30c return to the dollar on GDP, would have been better spent providing assistance to small business, which employs 46.5 per cent of people. It would have been better for this government to address payroll tax, that evil, insidious, job-destroying tax. It was brought in at two per cent in 1941 when child endowment was brought in during the war years, to help offset the cost of that child endowment—noble, one could imagine. In 1971, it was brought across to the states as a source of growth revenue for the states, and the states of course immediately increased it, to the point now where Queensland has the lowest rate at 4.5 per cent and the ACT the highest at something like 6.75 per cent. It is a job-destroying tax. It simply says, ‘I’m going to tax your payroll regardless of productivity.’ Economic pundits would say it is an efficient tax because efficiency relates to your ability to escape or evade a tax. It is efficient because you have nowhere to go. Yet different states have a range of regimes, albeit that some harmonisation legislation has come in. States tax payrolls of small to medium companies and large firms. They tax a company

just because that company wants to employ Australians—outrageous, yet this government does nothing about it.

Moving on to schedule 2, it contains consequential amendments to temporary residents' unclaimed money regime changes. Last year, the coalition supported the government as they required superannuation funds to pay unclaimed super money from temporary residents back to the ATO to reduce the amount of unclaimed super belonging to temporary residents that was sitting in super funds. This schedule makes rules governing unclaimed super for Australian residents consistent with the rules made for those temporary residents.

Schedule 3 amends the income test used for means-testing government transfer payments and concessions and aligns the income test for dependency tax offsets with the income test for family assistance payments. This is about saving almost half a billion dollars over the forward estimates. It was announced during the budget speech in May last year and contains a range of components. One of those components has to do with the Commonwealth seniors health card. We know that the government introduced legislation—it was debated yesterday—regarding the Commonwealth seniors health card, where 22,000 senior Australians, self-funded retirees who have worked hard and receive the benefit of that card, will have it stripped away because of the changes here by the Rudd government. The amendments in this bill will add total net investment losses to the income test for those Commonwealth seniors health cards.

Part 1 of schedule 3 has to do with total net investment losses. It simply adds a new definition to that term 'total net investment loss'. Currently, only net rental property losses are considered with respect to total net investment losses when offsetting against

government payments. This definition will now be widened to include losses arising from any financial investments at all: shares in a company, interest in a mortgage investment scheme, forestry managed schemes, any option or right—anything at all. Currently, if you have a net loss on property, that net loss is added back onto your income to determine your eligibility for certain payments. This government, of course, loves to means-test everything, because apparently, if you are earning over \$100,000, you do not get access to family tax benefit A. Over \$110,000, you do not get access to the child-care benefit. The ranges vary as we go. Now, to further make it difficult for Australians, to make it harder for working families, this government will expand the definition of total net investment loss to include losses not just from rental property but from every other financial investment. That is how this government will pull back half a billion dollars, by simply denying hardworking families access to government benefits by increasing means testing, somewhat on the sly.

Part 2 of this schedule requires employers to disclose the reportable employer superannuation contributions, or RESC, which are the amounts that people salary sacrifice into super over and above the standard amounts required by law or agreed to by agreement. These will have to be disclosed on behalf of an employee in the annual payment summary provided to the employee, in the part-year employment summary provided to the employee upon the employee's request and in any annual withholding report that is provided to the ATO. At present, employers do not include the RESC amounts in the payment summaries provided to the ATO. Part 2 of this schedule will require employers to report the RESC in the same way that they currently report reportable fringe benefits. This is an extra reporting requirement, an extra burden, an extra compliance cost.

Before the election, the then Leader of the Opposition, now the Prime Minister, Mr Rudd, said, 'For every new regulation, for every new compliance, I will take one away.' Well, where is it, Mr Rudd? Where is the one you are taking away? You are adding a new compliance here. Where is the one you are taking away? Where is the regulation you are dispensing with? Every bill I see come before this House has new regulations, new compliance, new requirements for adherence imposed by big government. But I have not seen any taken away—none at all. Where is it? The Prime Minister pledged, yet I have seen his pledges broken so many times it is becoming somewhat laughable. He pledged that, for every one regulation, every one compliance, he would take one away. Well, we have one here. Where is the other side of the ledger? The silence is always deafening.

Part 3 of this schedule makes changes to some income tests to include the new definitions in part 1 of this schedule. For example, the new 'total net investment loss' definition will include not just the loss from rental property but also the loss from any other financial investments. That will be taken across pretty much every single benefit that is paid across every single piece of legislation. That is why, in 2009-10, the government is looking to save \$164 million; in 2010-11, \$192 million; and in 2011-12, \$203 million—half a billion dollars taken away from hardworking families simply because they sought to invest. 'How dare they invest!' I say to the Labor government. 'How dare they! Let's take away some of their benefits. Let's take away some of the money that is paid to them to assist in a whole range of areas, from child care through to raising children, through to making ends meet. Let's take that away because they have the temerity to invest!'

The coalition will move to amend this bill in both houses to ensure equality in the

treatment of employer contributed superannuation. We look forward to the government meeting in good faith for that amendment to occur.

Mr ZAPPIA (Makin) (12.18 pm)—I rise to speak on the Tax Laws Amendment (2009 Measures No. 1) Bill 2009. This bill provides for a 20 per cent reduction for the December 2008 pay-as-you-go tax instalment quarter for businesses. The bill also contains three other measures, relating to, firstly, superannuation; secondly, income test reforms relating to salary sacrifice, contributing investment losses and fringe benefits; and, thirdly, eligibility for government means-tested payments.

I want to focus my remarks on the aspect of this bill relating to the 20 per cent reduction in pay-as-you-go tax instalments. We have nearly two million small and medium sized businesses in Australia that will benefit from this measure. Some 7,700 of those businesses are located in the Makin electorate, which I represent. Until I was elected to this parliament I was one of those small business operators, and so I understand and empathise with business operators around Australia. I understand the long hours they work, the financial risks they take and the amount of red tape and government regulations, from all three levels of government, that they must comply with.

Having operated a small business throughout the term of the previous Howard coalition government, I also understand just how little that government did for small and medium sized businesses. In fact, I say quite truthfully that I cannot recall one single measure about which, when it was announced, I thought to myself as a small business operator: 'This is good for me or good for small business.' I cannot remember one.

I want to say this with respect to the coalition's track record as well: I have heard a

number of their speakers come into this place today and criticise the regulations and laws relating to the way small businesses have to operate and how we should be doing this and we should be doing that. What I say to members opposite is: if you have any criticisms of the current laws under which small businesses operate then just remember that those are the very laws that we inherited and which you did nothing about for 12 years. So do not come in here after this government has been in office for a year and point to all the woes with the laws relating to small business and say the laws should be fixed, because you had 12 years to do that.

Perhaps even more importantly, I say to them: we all know that we are currently going through some tough economic times. I would have thought that, when it comes to supporting small business and, in turn, jobs and the economy and the future of this country, these would have been bipartisan matters, matters on which we could have worked together, because ultimately I would like to think that we all have the best interests of the people of Australia and the future of this country at heart. But that does not seem to be the case. Coalition members opposite talk a lot about the importance of small and medium sized business to Australia's economy and they claim to be the friends of small business; however, their rhetoric is not matched by their actions.

Conversely, the Rudd government does recognise and does value the important role small and medium sized businesses play in Australia. The Rudd government has already implemented a number of measures to assist them. I will come to some of those a bit later but this bill contains one such measure, and that is to reduce the February pay-as-you-go tax instalment by 20 per cent. That will provide small business with a much needed cash flow boost during what we all know are very difficult economic times.

Pay-as-you-go tax instalments are based on the previous year's tax returns and are estimates of the tax that the business is likely to pay for the current year. When the annual returns are lodged, any overpayment will be refunded to the business by the Australian Taxation Office or, conversely, if additional taxes are owed by the business, the shortfall will be paid to the Australian Taxation Office. For many businesses, that adjustment usually occurs some time after the end of the financial year. Most small businesses and, I would imagine, medium sized businesses do not run to their accountant on 30 June each year and sort out their tax issues. Most of them, from my experience, do so some time after. In fact, as you would know, Mr Deputy Speaker, the laws allow an extension of time for tax returns to be lodged when they are lodged by accountants and on behalf of the business sector. So it is usually some months after that those adjustments are made. That means that, if there is an overpayment of tax due to the estimates used for the pay-as-you-go instalments, the business forgoes the use of those funds for several months, sometimes up to a year.

If the business operates on a bank overdraft, as many of those businesses also do, then additional costs are incurred in the form of bank fees and interest charges that are made on the bank overdraft. So if during the year you have made tax payments of several thousands of dollars in excess of what you are liable for when the final assessment is made and you have used your overdraft facility to fund those payments, then clearly you are paying additional costs through those interest rates that the bank will charge, and, as we all know, additional fees are attached to an overdraft. For the business, it means not only reduced cash flow but increased costs. Therefore, reducing pay-as-you-go tax provides businesses with extra cash flow and possibly lower bank charges—money that, in

these difficult times, can be used in so many other ways.

I said earlier that, since being elected, the Rudd government has taken a number of measures to assist small and medium sized business in Australia. The most recent example of that was on 6 March when the Minister for Small Business, Independent Contractors and the Service Economy convened a roundtable with small business organisations and representatives of the banking sector to resolve issues relating to the access of credit for small business during these times of global credit squeeze. With the banking sector having difficulty accessing overseas funds or having to pay higher interest rates for those funds, credit to small business has tightened and higher interest rates and bank fees charged for that credit are placing, again, additional strain on small business operators. In fact, my understanding is that around 40 per cent of bank wholesale funds are sourced offshore and that figure has been rising significantly in recent debt issues. So, it is difficult to get credit for these businesses to operate. If they can get it, it is becoming more expensive. Anything we can do to improve their cash flow will be welcomed by them.

With respect to cash flow, I make this additional point: anyone in small business, and medium sized business for that matter, would know that one of the biggest impediments to surviving in business is to ensure that those who owe money pay on time. In difficult times it is more likely that a business's cash receipts will take longer, again placing more financial strain on that business, and that is why it is important to try to reduce the monthly outlays for businesses that are already in existence.

I will come back to the business roundtable convened by the minister, because there were some very important outcomes that

came from that which I want to talk about. At the roundtable, the banks undertook to seek to maintain the levels of funds available to the small business sector and continue to make loans to viable small businesses. That is self-explanatory: continue to make funds available to them and provide loans to those businesses that are viable. It is the only way they can continue to operate. The banks also undertook to pass on to small business customers, to the maximum extent possible while maintaining prudential standards, reductions in the costs of funds to them—again, to try to reduce their overheads. Thirdly, on a case-by-case basis and with regard to the customer's cash flows, and with their agreement, the banks undertook to consider loan restructuring and other options so that the business can continue to trade. These are all sensible practical measures that were instigated by the minister as a result of convening the roundtable and as a result of his interest and support for small and medium sized businesses in Australia. This is a practical, decisive step taken by a minister who understands the industry and understands the importance of these measures to the industry.

What this government has done goes further than that. I want to speak about one specific area where I have had many years of personal experience, and that is with respect to business enterprise centres, which I have been associated with for several years. Many small business operators have skills in the delivery of the services or goods of the sector they enter into. However, they do not necessarily have the business administration skills associated with successfully managing the business and the plethora of government obligations placed on them. Many small business operators also often lack basic accounting and marketing skills, which ultimately causes them additional overheads in having to pay for professional help, such as legal advice, accountancy or marketing.

From my experience, the majority of small businesses that failed did so not because their business venture was unsound, but more likely because their business management skills were lacking. In this regard, the business enterprise centres that have been established around Australia in recent years provide an invaluable range of services to the small businesses operators around Australia. The services they provide assist with business planning, business networking and business marketing—a whole range of services that each individual centre tailor-makes for their constituency wherever they are in Australia. I commend them for what they do. In fact, they do what they do because originally most of these centres were structured by business communities coming together to look for ways to help themselves.

The Rudd government, in its first budget, provided \$42 million of funding to support the activities of the 36 business enterprise centres around Australia. It is the first time the federal government has done that. It was not done by the previous Howard coalition government. Members opposite talk about how they support small business. Where was their financial commitment to these centres? It was not there. But it certainly came with the election of the Rudd government, and it came to most of the business enterprise centres around Australia.

In my own electorate, the Tea Tree Gully Business Enterprise Centre has received funding of a million dollars over the next four years, as has the Salisbury Business and Export Centre, which, whilst it is located in the neighbouring electorate of Port Adelaide, also provides services to many of the small businesses located in the western parts of the Makin electorate. As I said a moment ago, these business advisory centres are not new. They have been around for a long time. But it took a Rudd government to come in, recognise their importance to the business sec-

tor and provide appropriate funding. It is another good example of the difference between what you say and what you do, because the Rudd government came in and did what it said it was going to do. The coalition members opposite talk a lot about being friends of small business but, in fact, they did very little.

The support for the business enterprise centres and the measures in this bill reducing the pay-as-you-go tax by 20 per cent for the December quarter are only two of the number of measures taken by this government. I want to talk about some of the other measures because they are important. Since it came into office, this government has implemented a far-reaching program of cutting red tape in the 27 areas of state and federal regulation affecting businesses. Red tape is one of the most difficult problems that most small businesses operating face. This is because many of them do not have the management skills.

I turn to the on-time payment guarantee. Small businesses certainly appreciate being paid up front or within a short period of time after they carry out their work. All small business contracts up to \$1 million with Commonwealth departments will be paid within 30 days, or penalty interest may be charged by the small business. These are significant steps.

With regard to selling to governments, the introduction of greater consistency and simpler processes will make it cheaper and easier for small business to participate in tenders to sell goods and services to government agencies. These measures help small business.

With regard to relieving the skills shortage, we all know that for years that one of the biggest barriers to small business prospering and growing was their inability to attract suitably skilled staff members. This

government has invested in 701,000 new training places over the next five years. Those new training places will skill up the employees that businesses around Australia need. We have also implemented a simpler superannuation system. Small business will be able to send all of their superannuation payments to a single clearing house that will distribute the money to their employees' various super funds, free of charge, as of 1 July 2009. The last point I make in respect to those measures is the reduction in taxes. Tax relief of up to \$50 a week was provided for small business owners from 1 July 2008, with a commitment to reform the business tax system.

These are all practical, serious measures that have been implemented by this government in the short space of one year. Contrast that with the support given by members opposite. We know that there may be more work to be done. Particularly at this time, when we know that the economy is going through a global financial crisis and we know that we need to do whatever we should do, and are able to do, to cushion the Australian community—and Australia's small business—from the effects of the global financial crisis, the Rudd government is acting decisively and it is acting sensibly.

I want to talk about the last series of measures that this government has implemented in order to support and assist small business. Again, in doing so, I contrast the difference between this government and the previous coalition government. I refer to the \$10.4 billion economic stimulus package that was announced by the Rudd government prior to Christmas and, subsequently, the \$42 billion package that was announced recently. Within those packages—and certainly within the \$42 billion package, which I will start with first—\$14.7 billion was allocated to building the education revolution and assisting 9,540 schools around Australia with a

series of school improvement measures. Every one of those measures, every one of those schools and every one of those particular projects involves small and medium business. Every one of those projects means jobs, work and contracts for people in the business sector.

Secondly, there is the \$6.6 billion allocated to boost the national stock of community housing by 20,000 homes around Australia, which includes the additional defence housing. Who are the prime beneficiaries of that \$6.6 billion? Somewhere in the allocation of those funds, business will get a direct stake in that outlay. To roll out that construction work, you would need to depend on small and medium sized businesses. There is the \$3.9 billion for energy efficiency measures for the 2.7 million homes around Australia that will get free insulation. Who will carry out that work? Small business—and I have already been contacted by a number of small businesses who applaud the government for what it has done in that area alone, because they can already see the jobs that it will create. In fact, I quoted some figures in a speech in this place last week where some 4,000 additional jobs are going to be created through the rollout of that home insulation program. Small business is right in the middle of that, as is medium sized business. And there is the \$2.7 billion which will provide small and general business tax breaks for businesses in the future with the additional 30 per cent rebate for any investments made.

If you want to support small business and if you want to support medium business in this country, particularly during these tough economic times, the best thing you can do is give them opportunities to have ongoing work. You could not do that any better than with the \$42 billion package that this government has committed to. You could not do it any better than with the \$10.4 billion package that the government committed to prior

to Christmas. That package also included money for first home buyers where it increased the first home buyers grant from \$7,000 to \$14,000 and for new homes to \$21,000. Again, who is going to build all those homes? It will be small and medium businesses which are able to benefit directly from that.

I come to the very last point in respect of those packages, and that is the money given to families, the direct payments made to families. When those families spend the money it will be small business, whether it is in the retail sector or elsewhere, that will benefit from it. (*Time expired*)

Ms HALL (Shortland) (12.38 pm)—I must compliment the member for Makin on his fine contribution to this debate. It shows that he has a great understanding of the issue and a great understanding of the global financial crisis and the impact that it has had and he understands how the measures being offered by the Rudd government will actually support and help small business.

This legislation, the Tax Laws Amendment (2009 Measures No. 1) Bill 2009, gives effect to the government's 2008 announcements to provide relief to small business by reducing their PAYG instalments for the February quarter. I would like to highlight just how important this is. This simple act of reducing the PAYG instalments makes it possible for some businesses to survive. It is recognition by this government that business is doing it hard and it is the role of government to provide support to business at times like this when we have this global financial crisis. The PAYG instalment system is designed to smooth taxpayers' cash flow throughout the year and to avoid taxpayers accruing large tax liabilities on assessments which they may have difficulty paying as a lump sum. Taxpayers earn business or investment income and pay instalments during the year

towards their final tax liability for the income year. Section 45-400 of schedule 1 to the Taxation Administration Act 1993 stipulates the way the Commissioner for Taxation works out the amount of the PAYG quarterly instalments on the basis of GDP adjusted notional tax. Broadly, the GDP adjusted notional tax is worked out by uplifting the taxpayer's income in the previous year by the year's rate of nominal GDP growth. The GDP uplift factor can be unrepresentative of expected profit growth in the income year where economic conditions change quickly. That brings us to the situation we are in at the moment where conditions have changed. There is a recognition by the government that there has been this change and there is a need for government to step in and support business, and that this change can cause taxpayers to pay PAYG instalments that are too high compared with their actual income. I think it is vitally important that this recognition has come through. I congratulate the minister on acting so quickly to make this change. It also applies where overpaid tax is refundable to people at the end of the year when their final tax liability is assessed.

As I have already mentioned, this measure is a further example of decisive action taken by the Rudd government to assist small business to weather the global financial crisis. I will go into this measure a little and then I will talk more broadly about the impact of the global financial crisis on small business. Small businesses with a turnover of less than \$2 million a year will be able to claim a bonus deduction of 30 per cent. This is one of the initiatives that the Rudd government has put in place over and above this legislation to address the needs of small business. They will be able to claim a bonus deduction of 30 per cent for eligible assets costing \$1,000 or more where these eligible assets are acquired or start to be held under an eligible contract between 13 December 2008 and the end of

June 2009 or are started to be constructed between these times and are installed ready for use by the end of June 2010. Small business will be able to claim a bonus deduction of 10 per cent for eligible assets costing \$1,000 or more that they acquire or start to hold under a contract between 1 July 2009 and the end of December 2009 or start to construct between these times and have installed ready to use by the end of December 2010. A minimum expenditure threshold of \$10,000 will still apply to other businesses.

The eligible assets the tax bonuses will apply to are tangible assets used in carrying on a business for which a deduction is available under the core provision of division 40, capital allowance, of the Income Tax Assessment Act 1997. Specifically, deduction will be available for appreciating assets under section 40-30 that qualify for allowance under subdivision 40B except for intangibles and the rights that would otherwise be included by subsections 40-32 (5) and (6). However, cars will be disqualified from the allowance merely because they use the 12 per cent method. This may sound technical but I think it is a very workable approach. Land and trade stocks are excluded from the definition of depreciating assets and will not qualify for the deduction.

Expenditure above the threshold which is capitalised into an existing asset as a second element of the cost will also qualify for the deduction. To claim the bonus the deduction will be available to the taxpayer who is entitled to the capital tax allowance deduction under division 40 of the Income Tax Assessment Act 1997 in respect of the assets. The deduction is on top of the usual capital allowance deduction claimed for the asset as part of the taxpayer's income tax return. The deduction will be available to be claimed based on the application rate of 10 per cent and the asset's first and/or second elements of the cost in terms of subdivision 40-C. The

deduction is claimable in the income tax year in which the asset is installed ready for use. Treasury will be releasing draft legislation for public consultation soon. That is one very distinct measure that is being put in place for small business, and we have previously discussed another.

When we are looking at small business and the impact of the global financial crisis it is very obvious that the Rudd government has actually acted very quickly to address the fact that small business will be suffering because of the global financial crisis. Members on the other side of this House quote daily the number of people who are becoming unemployed, and it seems that that is something that causes them great delight. They put forward the premise that Australia is the only country that is affected by this global financial crisis when in fact the measures that have been introduced by the Rudd government have been replicated throughout the world, and the measures the Rudd government has introduced have been models for countries elsewhere. Even President Obama of the United States actually referred to the stimulus package that has been put in place. The stimulus package has not just been put in place in isolation; it has been put in place to protect Australian jobs. The members on the other side of this parliament have shown time and time again that the only interest they have in increasing unemployment is to gloat rather than to—

Mr Morrison—Mr Deputy Speaker, I rise on a point of order. The member is reflecting on members on this side of the House and imposing motives that are simply untrue. I would ask her to withdraw.

The DEPUTY SPEAKER (Hon. Peter Slipper)—I am listening carefully to what the honourable member is saying, and I would ask her to carefully observe the stand-

ing orders because it is certainly disorderly to reflect on any member of this chamber.

Ms HALL—I can assure you, Mr Deputy Speaker, that I was not reflecting on any individual member of his chamber—rather I was reflecting upon the fact that I feel the opposition's approach to the rising unemployment rate leaves a lot to be desired, and I think that the Australian community and the Australian economy would benefit—

Mr Morrison—Mr Deputy Speaker, I rise again on a point of order. The member implied, and in fact said directly, that the members of the opposition took glee in rising unemployment—which is not the case. That is impugning a motive. It is a very unhelpful slur in this debate. I would ask that she withdraw it.

The DEPUTY SPEAKER—There is no point of order. Again I remind the honourable member for Shortland that she ought to be extremely careful not to reflect on members of the opposition or, for that matter, members of the government.

Ms HALL—Returning to the context of my speech, I would have to say that I feel the Australian parliament and the Australian people would be much better served if the opposition were to actually offer some positive solutions to unemployment rather than focusing on their own employment within this parliament.

I think one of the main aspects of the last stimulus package, and a very important aspect of the last stimulus package that will benefit small business, is the Building the Education Revolution component of that package. Not only does that package benefit each and every school within this great nation of ours but it also benefits small business. Every school will become a mini construction zone. It will provide employment for a countless number of tradespeople and trades assistants. It is a recognition that for

jobs to be created you need to stimulate the economy.

With the stimulus package at the end of last year, Australia's retail figures held up where comparable countries actually experienced a severe and serious decline in their retail sales. Also included in the latest stimulus package is the commitment that will see Australians being able to access insulation for their homes. That will create work for small business—businesses manufacturing insulation as well as businesses manufacturing solar hot water systems, which is another component of the stimulus package. It will also create employment for people installing those items.

As the member for Makin said, the assistance that is available for families within this package will, once again, transfer to and benefit small business. The Rudd government has shown how governments can support small business. It is acting decisively and showing that it has real concern for Australian's jobs. It is focusing on getting Australia through this financial crisis; it is not focusing on maintaining its members' own jobs within this parliament. The Rudd government is focused on the big picture. It is focused on Australia and the future, while the opposition is focused on its own internal problems.

Mr CHAMPION (Wakefield) (12.53 pm)—In 2008 the Rudd government announced that it would take action to protect small business from the effects of the global economic crisis and provide relief to small businesses by reducing their pay-as-you-go instalments for the February quarter. The Tax Laws Amendment (2009 Measures No. 1) Bill 2009 gives effect to that announcement, amending the Taxation Administration Act to guide the Commissioner of Taxation in working out the pay-as-you-go instalments on the basis of a GDP adjusted notional tax

for taxpayers who pay in quarterly instalments. The government wants to protect small business. We know that it is at the heart of the economy. Certainly it is at the heart of economic activity in my electorate of Wakefield.

This bill is just part of the government's overall response to the global economic crisis. Our response is aimed at boosting the economy and, in particular, keeping demand ticking over for small business. Let us look at what the government has done. We have secured banking deposits through a guarantee. We have provided an economic stimulus package which provided payments to all pensioners—not just age pensioners but disability pensioners as well. We have introduced the Nation Building and Jobs Plan, with the first home buyers boost, the \$950 hardship bonus for 21,000 drought affected farmers and the largest school modernisation program in this country's history. All of these measures build and strengthen the economy and boost jobs in small business and trades, which are two vital sectors in the northern suburbs of Adelaide and in the country towns to their north.

There is a fair bit of evidence that small business is benefiting from these measures. Only yesterday the front page of the Adelaide *Advertiser*, under the headline 'Families splash Rudd's cash', reported:

... retailers are reporting a surge in sales, only days after millions of families began receiving ... payments.

Some rural outlets recorded a 100 per cent sales boost last Thursday ...

Places like Elizabeth in my electorate recorded strong demand in their retail sectors. I commend Steve Lewis for such a good article on the front page of Adelaide's *Advertiser*—a positive story about the economy. So there are plenty of examples of how families are spending and retailers are benefiting.

Big W revealed that its national sales were one-third higher last Thursday than the same time last year. In the same week, Coles reported record sales of TVs and DVD players, and we know that Woolies intends to put on 7,000 new workers.

This bill is part of the government's response to the global financial crisis. It is part of our way of insulating Australia and its small businesses from the global financial crisis. The bill provides for a 20 per cent reduction of the amount of the pay-as-you-go instalments for the quarter that includes 31 December 2008 for certain small business taxpayers. It also incorporates a regulation that allows that instalment rate to be reduced in the future, to take into account future circumstances. These measures will provide relief for hundreds of small businesses in my electorate, particularly around the area of Gawler, which is a hub of small business. There are many small business owners and a real entrepreneurial spirit in that town. It is a great town to live and work in. I lived on Tod Street in Gawler many moons ago. This measure, along with the economic stimulus investment, makes sure that small business can weather the economic downturn around the world in which 30 banks have either collapsed or been nationalised and in which many of our economic trading partners have gone into recession or have recorded one quarter of negative growth.

The current pay-as-you-go instalment system works well when the economy is operating in normal circumstances. It means that taxpayers do not accrue large lump sum tax debts annually. Obviously, the global economic situation over the last 12 months means that business is far from normal. This bill provides temporary relief from the taxation regime, which assumes a general rate of business income, adjusted upwards for GDP growth. That GDP uplift can, in a time of uncertainty, either overestimate or inaccu-

rately represent the real expected profit growth of small businesses. In other words, they end up paying tax on expected profits which never materialise. This bill resolves that issue, which is a very important thing to do. It provides immediate and much needed cash flow relief to small businesses. It encourages confidence in the sector at a time when it is most needed. It makes the system far more flexible and far fairer. As I said before, this bill allows for regulations to make future adjustments much easier, building flexibility into the law. Small businesses are important to the country and schedule 1 of this bill certainly assists them.

Schedule 2 of the bill addresses the issue of unclaimed superannuation and makes the general unclaimed superannuation money regime more consistent with the temporary resident unclaimed superannuation money regime. It aligns those two things and, as I said in a previous speech in this place about temporary residents and superannuation, superannuation is the mechanism to deliver one of the great objectives of social democracy—that is, a dignified retirement for all Australians. Poverty amongst the elderly is a tragedy—it is one of the reasons we acted to give pensioners a bonus in last year's package and initiated a comprehensive review of the pension scheme. These are critically important things for Australia's pensioners and elderly citizens.

This bill supports the legislation passed last year which provides for better and more consistent treatment of temporary residents who work in this country. It is better for temporary residents and it is better for Australian taxpayers. These are simple, fair changes, and the bill before us amends various parts of other acts, including the income tax legislation, small superannuation accounts legislation and the super guarantee and co-contributions legislation in order bring our super acts into line. It allows the

Australian Taxation Office to pay the superannuation guarantee amounts recovered from employers for temporary residents directly to the unclaimed money regime rather than to a super fund, which would then be required to return the amounts to the unclaimed money fund in any event. These amendments to the broader unclaimed money regime are intended to make the existing unclaimed superannuation provisions more compatible with the provisions inserted to support the payment of temporary residents' unclaimed superannuation to the Australian government. In essence, they make things simpler and fairer. Basically, the legislation will negate the need for two very different unclaimed money regimes.

On this side of the House we believe that Australians have a right to live in retirement with independence, financial security and dignity. That is why we believe so strongly in superannuation, both as a mechanism to ensure a dignified retirement and to boost national savings—and national savings will be the key to future prosperity. We on this side of the parliament are the party of national savings. Unfortunately, that commitment is not always shared by those opposite. As the Prime Minister noted in his essay, the record of the previous government is not that good. He said:

The average ratio of household debt to annual gross disposable income more than doubled to 114.5%, up from 49.8% under the Hawke-Keating governments; household net savings to net disposable income fell to an average of 1.1%, down from an average of 7.9% under the Hawke-Keating governments; and the level of Australia's net foreign debt increased to 55.5% of GDP, up from 37.9% of GDP under the Hawke-Keating governments.

That was a comparison between the Howard government's record on private savings and the record of the Hawke and Keating governments.

The Liberal Party's solution to our current problems is to call on the government to pay small business superannuation obligations. Of course, they have not costed this policy. We have, and it would cost a staggering \$43 billion over four years. That is more than the cost of the government's nation-building plan, and all it really would do is add to profitability—it would just be a transfer of government revenue to company profitability. On the one hand they complain about debt in this place, and then on the other they run these mad, uncostered ideas designed to wreck both Australia's budget position and our record on national savings up the flagpole. Most recently, John Howard, the former Prime Minister, proposed a payroll tax holiday for businesses which would have the effect of adding \$16 billion to the deficit. Of course, Mr Howard had 10 years to eliminate payroll tax and did not act on that. Members opposite might remember that in 1993 the Fightback package proposed to eliminate payroll tax and pay for it with a 15 per cent GST. I think that probably Mr Howard is urging those opposite to get rid of payroll tax and jack up GST. That has always been their intention in the longer term. The measures outlined in this bill are responsible, they provide flexibility for small business and they are part of boosting our response to the global financial crisis. I commend them to the House.

Ms SAFFIN (Page) (1.05 pm)—I speak in support of the Tax Laws Amendment (2009 Measures No. 1) Bill 2009. This bill amends the taxation laws in three principal ways to give effect to a number of policy decisions and budget measures. Seminally, it gives effect to the impact on small business of the global financial crisis and global recession. We know that small business is the backbone of a large part of our economy. In my electorate of Page there are over 10,000 known small businesses—that is, registered

ones, so we can imagine how many more small businesses there would be if that many are registered. That certainly forms the backbone of our local regional economy. The small business measure in the bill is particularly important to give some relief to small business in these times. We know that one of the biggest complaints and common refrains from small business is about compliance—not the fact of it, because we all know that we have to have compliance, but the burden of it. This government has recognised that and is making changes already to lessen the compliance burden on small businesses, as well as other changes.

The Minister for Small Business, Independent Contractors and the Service Economy convened a round table discussion with the banks on 6 March to talk directly with them about access to credit for small businesses. Small businesses in my area as well had come to me and talked about a tightening of their access to credit. We found that there had not been a tightening per se; there had actually been an increase in credit going to small business. But we found in some of the regions—like in my seat of Page—that it had not been going there. There seemed to be nervousness on the part of the banks about extending credit to the small businesses. That is one of the things that has been corrected by the minister. The minister also, sensibly, set up his office as a clearing house so that complaints or issues arising could go directly through his area. As a result, there has been relief for small business in quite a few areas.

I will now turn directly to the three amendments, marked as schedules 1, 2 and 3, in this bill. I will address them seriatim, setting out their practical and legislative effect and noting some points about the importance of those three. Schedule 1 gives effect to the government's December 2008 announcement to provide relief to small businesses by reducing their PAYG instalments

for the February quarter. The bill amends the Taxation Administration Act 1953, which sets out how the Commissioner of Taxation works out the amount of pay-as-you-go—PAYG—instalments on the basis of the GDP adjusted notional tax for taxpayers who pay quarterly instalments. The amendments will provide for a 20 per cent reduction of the amount of the PAYG instalment worked out under section 45-400 for the quarter that includes 31 December 2008 for certain small business taxpayers. There is also a regulation-making power to allow the amount of the PAYG instalment, worked out under the respective section that I have just cited, to be reduced in the future in circumstances specified by the regulations.

The announced 20 per cent PAYG instalment reduction measure for small businesses broadly represents a reduction in average instalments necessary in a single quarter to reflect the expected slowing in small business profit growth for the 2008-09 income year. It is a further example of the decisive action taken by the government to assist small businesses to weather the global financial crisis, and we know that we cannot stop some of the impacts of the global financial crisis—as the Prime Minister says, it is like a global cyclone—but we can batten down the hatches, be prepared and give some protection against the impact that it will have. The 20 per cent cut in the February instalment will provide immediate and much needed cash flow for small businesses and that is a priority. It is a priority at all times and it is even more of a priority in the times that we are facing. The measure will offer relief to around 1.3 million small businesses with aggregated turnovers of \$2 million per annum or less. That is a significant number of small business operators who contribute a significant amount to our economy.

Schedule 2 makes the general unclaimed superannuation money regime more consis-

tent with the temporary resident unclaimed superannuation money regime and other consequential amendments as a result of the payment of temporary residents' superannuation to the Australian government. The government made amendments to the unclaimed superannuation legislation last year in order to reduce the number of lost accounts and unclaimed money in the superannuation system, a situation which arises when temporary residents depart Australia without taking their superannuation. Some people might say, 'So what?' But it is a big problem and it is a problem that has gone unchecked for a long time. It is an issue that needed to have some action taken around it so that it could be brought into the framework of superannuation.

The bill will also amend various acts to support the temporary resident unclaimed superannuation regime, including the income tax legislation, small superannuation accounts legislation, superannuation guarantee legislation and co-contribution legislation. It also makes changes to the broader unclaimed money regime, and it will be more compatible with the temporary resident unclaimed superannuation. The changes will also avoid the need for superannuation providers to maintain two very different unclaimed money regimes and facilitate the administration of the general unclaimed superannuation money regime. That is an important point because we are talking about administration and the compliance. As I said earlier in my speech, one of the issues that small businesses are always seized with is the burden of compliance, and anything that can be streamlined is a welcome change.

Schedule 3 gives effect to reforms to income tests announced in the 2008-09 budget. With effect from 1 July 2009 the reforms amend relevant income tests in the tax and transfer system to include certain salary sacrifice contributions to superannuation, to be

known as reportable superannuation contributions, net financial investment losses and adjusted or non-gross fringe benefits. This bill, in the area of schedule 3, gives effect to four budget measures which I will turn to later. The measures enhance the fairness and integrity of the tax system by removing inconsistencies in the treatment of non-wage remuneration and will provide certain savings with the budget measures over the four years.

Under schedule 1, which is the PAYG instalment reduction for small business, the announced 20 per cent PAYG instalment reduction measure broadly represents the reduction in average instalments necessary in a single quarter to reflect the expected slowing in small business profit growth for the 2008-09 income year. It will provide immediate and much needed cash flow relief to small businesses and encourage small business confidence. That is important because, in times when we are facing global financial crisis and global recession, business confidence obviously suffers. We, as government and as members of parliament, have to do everything we can to ensure that that business confidence stays up, even facing the situation that we do, but at the same time we have to speak very frankly with Australians and small businesses about the situation that they are facing. This measure can add to that small business confidence by encouraging it, and indeed it will.

The regulation-making power will build more flexibility into the law to allow the instalments calculated on the basis of GDP adjusted notional tax to be reduced in the future—and that is important—and, in circumstances that will be specified by the regulations, to more accurately reflect changing economic circumstances. Small business taxpayers who will be eligible for the reduction are small business entities, a partner in a partnership that is a small business entity or

a beneficiary of a trust that is a small business entity for either the 2007-08 income year or the 2008-09 income year. Broadly, an entity is a small business entity for an income year if it is carrying on a business for the income year and its aggregated turnover is less than \$2 million for the previous income year or is likely to be less than \$2 million in the current income year.

On schedule 2, with unclaimed superannuation money, one of the key points is that the amendments will contribute to the co-contribution legislation but will also, importantly, make sure that there will not be any need for the businesses to maintain those two very different unclaimed money regimes. So, apart from the other changes they introduce, that one is really important given the nature of small business. With those comments, I commend the bill to the House.

Mr HAYES (Werriwa) (1.18 pm)—The Rudd government understands that you do not just create business success. The government understands that the policy settings play a crucial role in helping business, particularly small business, to achieve its potential. That is why the Rudd government is committed to implementing the policies that provide practical support for small businesses and, in particular, independent contractors. The measures in the Tax Laws Amendment (2009 Measures No. 1) Bill 2009 are a further example of the decisive action taken by this government to assist small businesses to weather this global economic crisis. We have, as part of our \$42 billion Nation Building and Jobs Plan, a plan for these tough economic times that aims to strike the right balance between supporting growth and jobs now and delivering much needed investment in strengthening the economy for the long term. In that, we are providing an extra \$2.7 billion of temporary tax breaks for small businesses and other

businesses to boost their investments and to assist them with their planning.

It should be noted that this very responsible nation-building plan was not supported by the opposition, which is a bit strange considering that I have heard the opposition claim for many years now that they are the friends of small business. Yet this position that was adopted by Labor, a \$2.7 billion provision to assist small business, was opposed at a time when, quite frankly, small business needed all the encouragement they could get. After listening to those opposite speaking on this bill earlier, I find it clear, quite frankly, how out of touch they have become.

By the way, that does not stop just with small business. You start to see this pattern emerge. Only yesterday, the opposition drafted an amendment committing them to supporting amendments to rip away the redundancy pay of hardworking Australian employees. This is at a time when we are, regrettably, faced with the reality of redundancies, and I certainly see signs of that in my own electorate. That is nothing to be proud of, but it is something that we need to be understanding about. I think the last thing people want to see is their elected members of parliament coming and doing something so extreme as to take away those protections that they rely upon and should be able to. It was not this side of the House that decided to ignore the health experts, the AMA, the police and parents concerning the alcopops measures. This is, again, not an issue of political gamesmanship; these are very serious things when you think about the consequences not only for my kids and your kids but for everyone else that we represent throughout our constituencies who could possibly be affected by these measures.

These are things which are now becoming a little symbolic of the opposition. I submit

that, in a place like this, you cannot be in opposition simply for the sake of opposition. Certainly, the Rudd government was elected, and elected quite significantly, with a very clear mandate for reform. But to be opposed at every step of the way on fundamental issues not only stands us apart in terms of domestic politics but also stands the opposition apart from every credible—and, indeed, conservative-led—country in the free world at the moment. I say that with particular respect to the economic stimulus package.

We know that small business is the backbone of our economy. It is the economic powerhouse. Therefore, we are committed to working with small business and to helping them to remain viable—particularly during the challenges that are now being thrown up by the global financial crisis. As I indicated earlier, the Nation Building and Jobs Plan has specific benefits for small business people, many of whom, obviously, are in my electorate and every other electorate. Those who have a turnover of \$2 million or less will be able to claim a reduction of 30 per cent on their eligible assets, which are those that cost \$100,000 or more. Assets must have been acquired between 13 December 2008 and 30 June 2009, or construction on them must have been started between these times, with installation occurring before 30 June 2010. For assets acquired between 1 July 2009 and 30 December 2009, and where they are installed and ready for use before 31 December 2010, there will be a deduction available to the small business people concerned of 10 per cent of the asset costs. They are very real, and they are very much appreciated out there among the small business people that I—and, no doubt, others—talk to. It is easy for people to talk about small business being the backbone of the economy but, too often, these are nothing more than hollow statements. You have got to be prepared to follow these up with tangible benefits to

show that we are actually backing small business, which is the lifeblood of this nation.

As a former adviser to a number of businesses from a range of different areas, I know the importance of helping business and of helping the development of small businesses—which go through those fledgling stages—into mature organisations. I also know about the importance of the part they play not only in our local economies but also in our state and national economies. Small business and independent contractors create much of the prosperity that we currently enjoy. Three-quarters of a million small businesses employ nearly four million people, while there are another 1.2 million businesses in the country that are still small businesses but do not employ anybody. So you are talking about three-quarters of a million small businesses employing up to four million people. That is quite a significant number. It does take a lot of commitment to commence in a small business in the first place—apart from everything else, to endure the financial risk, which is something that is not taken lightly. People do actually go some way to ensuring that they safeguard their decisions in that respect, but the reality is that the various industries in which small businesses operate are highly competitive, and therefore efficient, areas.

I, for one—and I hope this goes for every member of this House, quite frankly—am committed to working with small businesses in my electorate. No doubt each and every other member has the same view, which they apply in their electorates. Let us face it: when you cut through this, we know that locking in prosperity really comes from the security and the ability of small businesses to be able to grow and flourish. I know that my region has the capacity—and deserves the opportunity—to lock in its share of Australia's prosperity. My electorate deserves to be

able to share in that now and into the longer term because it is contributing to the building of greater prosperity measures.

Local companies in Werriwa are good enough to compete on the world stage and, by the way, many already do compete successfully. I would just like to single out one: Broens Engineering. I happen to know this company quite well. Carlos Broens, who operates the company—which now employs in the vicinity of 350 people—when I first met him, was, along with his brother, a toolmaker. Our kids went to school together. Carlos came from South America, established his business here and found a niche in advanced engineering. He is not tertiary educated, though he is a very good toolmaker. He brought his skills to bear in such a way that his organisation now has, apart from everything else, contracts with Mercedes-Benz and, I think, BMW—although I am not quite sure about that. His business certainly exports to China—out of Ingleburn, I might add. In addition to all that, he has been pre-selected for the manufacturing of the wing roots on the Joint Strike Fighter, if that contract goes ahead. Here is this little company, started by two people down in the backblocks of Ingleburn, now absolutely out there competing on the world stage. Last year alone, I think Carlos took on 34 apprentices. For an outer metropolitan area of Sydney, that is a very significant commitment to staff development and training from a person who knows the value of working with TAFE colleges. As a matter of fact, he has actually set up, on his site, a more localised element—if you like—of a TAFE campus, as he engages with TAFE New South Wales to deliver training to his employees in Ingleburn.

Local companies are to be encouraged because they, like Carlos Broens' organisation, will deliver results. Our policy settings have to help small business to achieve. It is not about going out there and picking winners—

looking at what the economic climate is going to be like and picking which company is likely to succeed in that climate. We need to make sure that there is proper competition within industries. We want effective and efficient industries emerging. We need to back our small businesses and let them rely on their ingenuity, their skills and their flexibility to be able to deliver results.

Mr Deputy Speaker Scott, I have spoken to you on many occasions about my electorate of Werriwa and, in particular, the business community there. In my electorate I have 4,000 small businesses which are actually employing people. There are 6,000 businesses which are predominantly independent contractors—owner-drivers, consultants et cetera—that do not employ anybody. In terms of the small business component, we are talking about 10,000 people within my electorate who would qualify at this stage. So about 60 per cent of my business community fall within this category. Just to provide some perspective: 94 per cent of all my local businesses have a turnover of less than \$2 million. That shows you what end of the market they are at. A lot, as I indicated, are consultants—many working from homes these days with the advent of mobile phones and computers—independent contractors, owner-drivers et cetera. They are driving their local business, but we need to assist them, and we did that through our announcement the other day of our Nation Building and Jobs Plan. Small business will directly benefit from that \$2.7 billion. Every single one of the small businesses in my electorate is hardworking. They have to be to achieve commercial success. The government believes that they should be rewarded for their effort, their risk taking and their entrepreneurial endeavour so that they can continue to thrive and, importantly, create local jobs.

Only recently, I was very happy to see that a contract had been awarded to widen the Hume Highway between Ingleburn and Campbelltown. This section of the highway is about 16 kilometres. It is a total spend of \$140 million. I was particularly keen to see that a local company, based at Prestons within my electorate, won that contract. I was pleased not just because George Kypreos is a very good fellow with a very good engineering team that has runs on the board for engineering and highway work but also because, as it was a local company that won the whole contract, there is a very real chance that other local contractors and other locals will be employed on this project to widen the highway—which could possibly be a three-year engineering task. That is good for the local economy. The people who will work on that project will probably buy their goods at the local shops and, if their partners work, they will be accessing local childcare providers. This is good for the whole economy. So the fact that a local company won the contract was absolutely fabulous. This local company—started by George and one or two others many, many years back—competed against people nationally to win that \$140 million project. To successfully win a contract like that shows that it can compete on a national scale. We sell ourselves short if we do not value small businesses, because those small businesses can develop into what George Kypreos has done with Nace Engineering.

During the election campaign I was very pleased to be able to announce, with the now Minister for Small Business, Independent Contractors and the Service Economy, Dr Craig Emerson, that the Macarthur Business Enterprise Centre would receive \$1.4 million over a four-year period—\$350,000 a year—in ongoing funding to provide a one-stop shop for small businesses in the Macarthur-Liverpool region. I am pleased to report that

this commitment has been fulfilled and the Macarthur BEC is now receiving that funding. The small business community in Campbelltown had been vocal in their call for a one-stop shop approach to business advice—including advice on setting up a business and regulations and legal advice. This one-stop shop in Macarthur—an outer metropolitan area of Sydney—will provide advice to people who want to start or to develop their small businesses.

Bruce Hanrahan, a good friend and long-time resident of the area, is the chairman of the BEC—and the chair of many local charities, too, I might add—and he does a sterling job of building up business confidence in our region. When I discussed the use of the grant with the vice-chairman, Tim Bryant, he said that he was very keen to have the opportunity to invest in small businesses within the whole region—not focusing simply on Campbelltown. His view was that the funding would allow the BEC to deliver key business services to local small businesses, including providing small businesses with the opportunity to learn more about doing business and to seek specific advice that is relevant to their business and the future of their business. The funding provided to the BEC will enable the BEC to strengthen and expand their capacity to help small business debutantes in their existing operations, including, as I indicated, in the Liverpool region.

Liverpool, as you are aware, Mr Deputy Speaker Scott, operates very clearly as another area of Sydney. I am very honoured to represent not only the people of Campbelltown but also the people of Liverpool. Harry Hunt, President of the Liverpool Chamber of Commerce and Industry, indicated that he was thrilled about the funding opportunity for the BEC. He said that for the first time the Macarthur BEC will now be able to promote and help expand small business in the

Liverpool region by providing invaluable business information such as legal, tax, accounting and marketing advice to those who ask for it. That comes from a very successful business entity within the Liverpool region. He sees the role of his organisation, the Liverpool Chamber of Commerce and Industry, as being similar to that of the Macarthur BEC: to help develop businesses. When we develop businesses we create jobs. I am currently working with Mr David Waudby, the CEO of the Macarthur BEC, and his team—*(Time expired)*

Ms REA (Bonner) (1.38 pm)—I too rise in support of the legislation before us today, the Tax Laws Amendment (2009 Measures No. 1) Bill 2009, and I do so because I have a very strong view that this nation and this government should be supporting small business in any way that they can. Small business is basically the lifeblood of this country. In every electorate across the country, we have small businesses that are the mainstay of our local communities—whether they are the petrol station, the fish and chip shop, the newsagent or the tradesmen who out there doing business, renovating and doing important building jobs. No matter what sector of the community we look at—as both individuals and citizens concerned about our local economies—it is small business that holds together the very fabric of our local communities and our national community. That is why I am very pleased that the government has decided to bring in this legislation to introduce a 20 per cent reduction in the PAYG tax instalments for the December quarter of this year. Not only is small business the most important sector of our economy, creating jobs and keeping cash flow moving throughout the nation; it is also the key indicator of when the global financial crisis is really hitting hard. If small business starts to be seriously affected by this financial crisis, it will really bring home to our

local communities just how vulnerable we can be at times like these.

There is no doubt that we are in a global financial crisis. There is no doubt that we are facing an economic cyclone that we have not seen since the Great Depression. Whilst we use these grand terms, whilst we talk about the situation, whilst we all keenly watch the financial reports on television, whilst we look in the newspapers at how the share market works and whilst we may have many concerned discussions in corridors and over coffee tables about the collapse of Lehman Brothers or about Freddie Mac and Fannie Mae, for the people of my electorate of Bonner, it is when the local takeaway stops delivery services because their customer numbers are down that it really starts to hurt. It is when the local newsagent puts off the high school students it employs on a casual basis on Saturday mornings that people really start to take notice of what is happening. It is when the video shop is not employing as many young people—those university students who rely on part-time jobs to basically feed themselves each week—that it really comes to the crunch and people start to realise the significant impact of this financial crisis. What does that mean? It means that the government has to do something to support small businesses and to keep the economy moving through stimulus. It is important that we create a level of flexibility in this current financial year. It is important that we allow small businesses to have an even greater cash flow in order to keep their heads above water.

It is also significant in terms of these amendments to acknowledge the extraordinary times that we are in. Whilst PAYG instalments are determined by the tax commissioner and basically are a reflection of what a small business is expected to pay in tax over a full year, based on their income, I think we would all agree in this chamber that on 1

July last year nobody in this chamber, or indeed out there in our local communities, would have expected this level of fluctuation in our economic situation to occur in just a few short months. I think it is quite practical to accept that none of us can really predict what the actual income of many of our small businesses will be up until the end of this financial year. Introducing a bill that enables small businesses to take a 20 per cent reduction over the December quarter will give them the cash flow that they will need to keep their heads above water over the next few months and, therefore, will have an ongoing effect in terms of support for the local economy right throughout our communities.

I cannot stress enough how important small business is and I cannot stress enough how important measures like these are for our local small businesses. It is quite telling when you look at the figures for small businesses across the country. In my electorate of Bonner alone roughly 30 per cent of businesses employ fewer than five people. That is significant. Almost half the businesses employ fewer than 20 people. If we do not continue to support small business to create stimulus in our economy, we are facing not just a cyclone but an economic tsunami. It really comes down to supporting those families out there who are struggling.

As we know, small business people are from ordinary families who are just trying to keep their heads above water. They are not the people who are cashed up, they are not necessarily sitting on massive assets and they are not in the financial position that most of us are in to be able to tide ourselves over at a time like this. They live from week to week and from month to month, so any form of financial support that allows them to keep their cash flow moving is quite significant in keeping those businesses alive. I know this from talking to many small business owners in my electorate, like Irene, the Ukrainian

woman who runs what I think is the best deli in Wynnum and provides the best sauerkraut, German sausages and smoked meats I have ever eaten—

Mr Anthony Smith—Come to the Yarra Valley.

Ms REA—It would have to be good! She will certainly appreciate this support for her business. I know that it will also make a big difference to Don, who has run a very small business for many years—Win Trophies at Upper Mount Gravatt. He has always been very supportive whenever I have had a request for a trophy for a school or a badge for some particular occasion. We could all talk endlessly about the small businesses that will be supported.

I also want to emphasise how important it is to support small businesses because of the impact that they have on our broader economy. It is so important that we support the economic stimulus packages that have already been released by the government. In Bonner alone, more than 7,000 people are employed in the retail industry, not just in the big supermarkets but in the local dress shop, the local fruit and veg shop, the local video shop, the fish and chip shop and the coffee shops that we have throughout Mount Gravatt, Wishart, Carindale and Belmont. Those small businesses keep community life going but also provide essential employment for local people—particularly our young people and people who depend on casual employment. Through the economic stimulus strategy and the Nation Building and Jobs Plan, it is absolutely essential that we go out there and provide for spending in the community which goes into the small businesses, like the local hardware shops.

At the same time, we have to accept that small businesses are always struggling with paperwork and administration. Obviously, maintaining their tax payments and keeping

their costs moving are very important parts of keeping their heads above water. So the support provided through the 20 per cent PAYG instalment reduction in this bill is just as important as the spending package, because it means that when the good times do come again—and I am sure that they will—those local businesses, many of them family businesses, will still have their heads above water, having survived the tide, because they actually had a government that cared enough to say, ‘We will give you the flexibility, we will support your cash flow and we will give you the support you need through the hard times because we want you to be there for our local communities and our national economy when the tide turns and we are all facing more prosperous times.’

I certainly applaud the first schedule in this bill. The other two schedules are also very significant, with superannuation changes in schedule 2 and income changes in schedule 3. At this point I want to focus on the amendments in schedule 1. I know that many small businesses in my electorate and others will benefit from these changes. When I have the opportunity to host a small business forum in the next couple of weeks—with the Minister for Small Business, Independent Contractors and the Service Economy—I look forward to explaining not only these amendments but the many other packages that this government is providing to help small businesses to keep their heads above water.

In conclusion, this is not something that is going to a sector of the community that does not deserve it, nor is it going to a sector of the community that does not pull its weight. I know how much support chambers of commerce and other business organisations are giving to individual businesses. The community of small businesses support each other, and I am pleased that this government is enabling advisory groups and various other

mentoring programs and is making other sorts of grants to support chambers of commerce and business organisations to help individual businesses that may just stay alive with a little bit of support from their peers. That is why, in closing, I would like to particularly congratulate the Wynnum Chamber of Commerce, who have just received a \$100,000 grant from the minister for small business to provide mentoring services, financial advice and many other essential services to our small businesses to make sure that they can keep that little bit ahead of the game in such difficult economic times. I commend the bill to the House.

Mr BOWEN (Prospect—Minister for Competition Policy and Consumer Affairs, and Assistant Treasurer) (1.50 pm)—in reply—I thank all honourable members who have contributed to this debate. Many honourable members, including the member for Bonner, commented on schedule 1, which provides immediate and much needed cash flow relief to many small businesses. Those small businesses that pay four quarterly tax instalments on the basis of GDP adjusted notional tax will have a 20 per cent reduction in the instalment due for the quarter that includes 31 December 2008. These amendments also include a regulation-making power to allow reductions in instalment amounts to be made in the future. This measure is one of a number of government initiatives designed to encourage small business confidence, boost business investment, bolster economic activity and support long-term economic growth in the face of the global financial crisis and the cash flow difficulties created for small business.

Schedule 2 shows the government's commitment to reducing the number of lost accounts in the superannuation system. The amendments to the unclaimed superannuation legislation last year were targeted at reducing the number of lost and unclaimed

superannuation accounts held by departed temporary residents. The amendments contained in this schedule improve the general administration of the unclaimed money regime and align the general regime with the temporary residents superannuation regime. This will assist superannuation providers in meeting their unclaimed money obligations.

The amendments contained in schedule 3 of the bill are designed to enhance the fairness and integrity of the tax and transfer systems. This will be achieved by removing inconsistencies in the treatment of certain non-wage remuneration and taking better account of certain losses. From 1 July 2009, individuals who have access to salary sacrifice arrangements to reduce taxable income will be treated the same as those who do not for the purposes of determining eligibility for certain means tested programs. Salary-sacrificing individuals who benefit from tax concessions will continue to do so. However, these benefits will no longer flow through to the assessment of means tested programs and tax offsets.

I note the comments of the honourable member for Casey with regard to two employees on similar conditions who may be treated differently. This matter was also raised by the opposition in their additional comments to the report on the bill by the Senate Standing Committee on Economics. The opposition's concern is that the definition of 'reportable employer superannuation contributions' may create an unintended bias, as individuals on the same total income may have different reportable employer superannuation contribution amounts depending on whether their employment conditions are set by a common-law employment contract or an industrial agreement. The bill seeks to ensure that only amounts that an individual has elected to be salary sacrificed will be reported for tax and transfer purposes. Where a person has no capacity to

influence the amount of superannuation contributions being made on their behalf then the additional amounts will not be assessed for means tested programs. For instance, where a small business employs two individuals and offers each a minimum 15 per cent superannuation contribution as part of the standard arrangements then these amounts would not be reportable employer superannuation contributions. If, however, one individual elects to salary sacrifice an additional \$5,000 then this \$5,000 would be a reportable employer superannuation contribution and would be taken into account in determining eligibility for tax and transfer concessions. This would apply regardless of whether the individual were under a common-law employment contract or an industrial agreement.

Having said that, can I say I do appreciate the spirit in which the honourable member for Casey has raised this concern. He has raised it genuinely and sincerely. I will reflect further on the opposition's concerns and will communicate with the shadow Assistant Treasurer before the bill enters the other place as to whether the government intends to take any action in response to those concerns. I also indicate that I would be more than happy to make Treasury officials available to him for further discussions over the parliamentary break before the bill enters the Senate.

The adjusted value of fringe benefits will also be included for the purposes of income where not already included. In addition, net rental property losses will be included in those programs that do not currently include them and expanded to include net losses derived from financial investments such as shares or managed funds.

Dependency tax offsets will be better targeted so that those on high incomes are no longer entitled to claim them. The changes

will also reduce workforce participation disincentives that can be associated with the dependency tax offsets. Those earning more than \$150,000 will not be entitled to claim the dependent spouse, housekeeper, child housekeeper, invalid relative or parent/parent-in-law tax offsets. The definition of income used in determining eligibility for the offsets will be aligned to that applying to family assistance payments.

Together, these measures will ensure that various tax and transfer programs are fairer and better targeted to those in need of government assistance. I commend the bill to the House.

Question agreed to.

Bill read a second time.

Message from the Governor-General recommending appropriation announced.

Third Reading

Mr BOWEN (Prospect—Minister for Competition Policy and Consumer Affairs, and Assistant Treasurer) (1.56 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

AUSCHECK AMENDMENT BILL 2009

Second Reading

Debate resumed from 12 March, on motion by **Mr McClelland**:

That this bill be now read a second time.

Ms LEY (Farrer) (1.56 pm)—I am pleased to speak on the AusCheck Amendment Bill 2009, which seeks to amend the AusCheck Act 2007. Its main purpose is to provide the capacity for background checks to be carried out under this act for national security purposes. The current act allows background checks only for the purposes of the Aviation Transport Security Act and the

Maritime Transport and Offshore Facilities Security Act.

I will refer briefly to the operative provision of the act that this bill amends, which says:

The regulations may provide for the establishment of a scheme (the *AusCheck scheme*) relating to the conduct and coordination of background checks of individuals, and the verification of documents.

As I said, the act specifies it is for the purposes of the Aviation Transport Security Act and the Maritime Transport and Offshore Facilities Security Act. This amendment bill will include other purposes. They are: Australia's national security, the defence of Australia, a national emergency, the prevention of conduct to which part 5.3 of chapter 5 of the Criminal Code applies, and the executive power of the Commonwealth or matters incidental to the execution of any of the legislative powers of the parliament or the executive power of the Commonwealth. I will return to those subparagraphs, as concerns have been raised with me about their broad application and I have done some research to ascertain whether the broad measures associated with the identification cards, which this amendment bill relates to, are infringing on civil liberties. I am confident that we are not.

This bill also includes amendments to the provisions that give authority for AusCheck to provide an online verification service. That, too, is new. The online verification service is currently restricted to verifying aviation security identification cards, ASICs, and maritime security identification cards, MSICs. With the addition of a national security background check capacity, this authority is accordingly expanded so that an online verification service may be used to verify other types of cards or licences that may be issued to indicate that a person has undergone a national security background check. An example of an area in which this amend-

ment may be needed is the health department. An area of the health department may need to conduct national security checks for those working with security sensitive biological agents such as anthrax. With amendments to the AusCheck Act, legislation could be introduced to require national security background checks on those that transport these biological agents or work with them in labs. That is not this legislation; it will be additional enabling legislation. Another potential example would be the need to do background checks on people who work with radiological materials or hazardous chemicals such as urea, which is something that you can only buy under licence and strict conditions.

In 2005, under the former coalition government, a centralised background checking service was established in the A-G's Department.

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

BUSINESS

Mr ALBANESE (Grayndler—Leader of the House) (2.00 pm)—On indulgence, for the benefit of members in terms of making plans for Thursday night and perhaps Friday, unfortunately, I have to report that the Senate have not voted today on the alcopops legislation and they have not progressed the Work Choices removal legislation. In fact, prior to two o'clock they were dealing with private members' business. Therefore, for the benefit of members I think it would be wise not to plan to depart at the usual time when parliament rises on Thursday afternoon. It is certainly the view of the government that we will sit for as long as it takes to get rid of Work Choices.

Opposition members interjecting—

The SPEAKER—Order! If only this enthusiasm meant that question time would be quieter.

QUESTIONS WITHOUT NOTICE

Economy

Mr TURNBULL (2.01 pm)—My question is addressed to the Prime Minister. Would the Prime Minister advise the House how many criminals will receive the Prime Minister's \$900 cash splash cheque? Could he also advise the House when he gave the green light to his new cash-for-crims stimulus package?

Mr RUDD—I thank the honourable Leader of the Opposition for his question. On the matter he raises, I have some interesting information for the House. I am advised that under the Howard government—a government comprised of Mr Howard, Mr Costello, Mr Turnbull and Mr Hockey—bonuses were paid to people in exactly the same situation as the subject of the questioning today. The low-income tax offset bonuses handed down by the Howard government were paid to people in exactly the same situation which those opposite are feigning such outrage over today. They supported these payments when they were in government and, now they are in opposition, they have undergone a 180-degree backflip because they are governed by political opportunism.

I am advised that the tax bonus is available to anyone who is an Australian resident for tax purposes in the 2007-08 income tax year and who meets the other eligibility requirements. I am further advised that the series of personal income tax measures under the Howard government in 2004-05, 2005-06 and 2006-07 flowed through to the vast majority of incarcerated individuals who paid tax in the relevant financial year. I am advised that there is only one tax treatment that

excludes incarcerated individuals and that is the senior Australian tax offset. The ATO has advised that it could not exclude persons in this category who had paid tax in the 2007-08 financial year with the information currently available.

In framing his first question in question time today, I think it would have been important for the Leader of the Opposition to simply do this: reflect on what you did in government and apply the same principle to yourself.

Economy

Mr GEORGANAS (2.03 pm)—My question is to the Prime Minister. Will the Prime Minister outline how the G20 is working to tackle the global recession and what steps the Australian government is taking at home to support jobs?

Mr RUDD—I thank the honourable member for his question. In response to the global recession, the Australian government has engaged in actions on the domestic front and actions internationally because we are dealing with a global economic storm. The G20 agenda, which will come to a head with the G20 summit in London in a week or two, has a number of core elements to it: the first is to restore private credit flows to the global economy; the second is to reform the global financial system in order to reduce the likelihood that we will have a repeat of this global economic crisis that we are experiencing at present; and the third is to coordinate the delivery of fiscal stimulus in order to bring support to the global economy at a time when the private economy is contracting because of the contraction of private credit flows.

Progress was made on these matters at the G20 finance ministers meeting, which the Treasurer attended on Australia's behalf last weekend. But further progress must be made when the G20 summit is held in London in a

week or two in early April. The G20 finance ministers meeting dealt with one core element of this agenda—that is, a framework for the removal of toxic assets from the bank balance sheets of the globally significant banks. A framework was put forward by the finance ministers at their meeting to which Australia contributed. However, further work must be done to ensure that national governments, which have responsibility for globally significant banks, take action consistent with those principles in order to bring about a restoration of private credit flows. That is necessary in order to restimulate the global economy, to restimulate employment and to restimulate jobs, including here in Australia.

A second area of necessary reform goes to the future of the International Monetary Fund, and this also is a core part of the G20 agenda. There is a long, long way to go yet before we can achieve effective reform of the IMF. Nonetheless, we must take consistent, considered and coordinated action across governments to boost the resources available to the International Monetary Fund and to reform its governance. This is necessary because of the unfolding economic crisis in emerging economies across the world as well. We are concerned about the impact of the global economic slowdown on emerging economies not only because of what happens with poverty there but also because of the reverberation of that on the entire global economy and on jobs in this country as well. A further area of reform for the G20 goes to the regulation of the financial sector for the world for the future and much work remains to be done there, including the proper regulation of hedge funds and proper progress on the work on executive remuneration within financial services companies operating around the world.

At home, we have been active on three principal fronts as part of our economic

stimulus strategy for Australia, firstly in ensuring the continued stability of the Australian financial system, bearing in mind that this global recession has already seen more than 30 overseas banks collapse or have to be bailed out by their local governments in order to keep going. By contrast, in this country we continue to have a strong banking system and we continue to have a guarantee, for the first time in Australia's history, delivered to Australian deposit holders, those opposite having sat on their hands for 12 years and not provided any such parallel protection. Secondly, we have an economic stimulus, short term and long term, in order to support jobs and to build the infrastructure Australia needs for the future, including the biggest school modernisation program in Australia's history. Thirdly, we have taken action to support those who lose their jobs through no fault of their own. Our responsibility as a government and that of the entire community is to support those who lose their jobs through no fault of their own. The government has announced some measures in this respect. There is further work to be done.

Underpinning the government's economic stimulus strategy also is our clear-cut statement that it requires the government to go into temporary deficit funded by temporary borrowing. That is the simple truth. It is the simple truth which every government around the world in the developed economy has had to confront and respond to. Furthermore, our policy is equally clear-cut in that, when the global economy recovers and we return to trend growth in Australia, this government's policy is that we will then take action to return the budget to surplus and, under those circumstances, use those funds to pay down temporary borrowings. That is the responsible course of action for any government around the world at present confronted with an unprecedented, at least since the Depression, global economic crisis.

Part of the government's strategy in dealing with the challenges to Australian financial markets is of course what we do to support those financial markets now, given the challenges that have occurred with the withdrawal of foreign credit from some of those providers of financial credit lines in Australia. That goes to the heart of the government's proposal for a business investment partnership between this government and the major banks in Australia. The reason for that is as follows. We have the real risk of a withdrawal of private credit, through foreign banks' indication, from Australia. We have a sector involved, in the case of the commercial property sector, which employs some 150,000 Australians. You have two possible responses to this: sit on your hands and do nothing, or act on a temporary basis to support the commercial property sector and the 150,000 jobs dependent on the continued health and vitality of that sector.

I would draw the attention of those opposite to a statement issued on 17 March by the Property Council of Australia, which says:

It is a blow to our industry and the broader economy that ABIP has not received the Coalition's backing.

The statement goes on to say:

It's a fact that foreign banks are winding back their exposure to the Australian property market, repatriating capital at the bequest of their new owners—foreign governments—
and also—

We need this contingency measure—
namely, the investment partnership—
even more now than we did two months ago.

I would suggest those opposite look at the statements from the Property Council and at those from the Master Builders Association of Australia, which says in its statement of 13 March that it calls upon the opposition to provide:

...bipartisan support for the early passing of the Australian Business Investment Partnership Limited Bill (ABIP).

The Master Builders Association also says that the government has acted in a timely way. We have to focus on what is the immediate problem here, which is a lack of finance flows in this industry, and without those finances, so says the Master Builders Association, we will see job losses. That is what the MBA says about the activities of those opposite.

The Australian government is taking decisive action to deal with what is occurring in private financial markets to provide stimulus through the budget by way of our infrastructure bill and also through the programs that we are advancing to support those who lose their jobs through no fault of their own. That is the government's plan—a clear-cut economic stimulus plan for the future. I contrast it with those opposite, whose strategy is this: to sit back, to wait, to do nothing and to hope that the global economic recession gets worse and that more people lose their jobs so that they can take political advantage from it. The contrast is absolutely clear-cut.

DISTINGUISHED VISITORS

The SPEAKER (2.12 pm)—I inform the House that we have present in the gallery this afternoon the New Zealand Minister of Commerce, Justice and State Owned Enterprises, the Hon. Simon Power. On behalf of the House I extend to him a very warm welcome.

Honourable members—Hear, hear!

QUESTIONS WITHOUT NOTICE

Economy

Mr TURNBULL (2.12 pm)—My question is again to the Prime Minister. Will the Prime Minister advise the House how burdening our children with Rudd-debt to give borrowed money to crims rather than sup-

porting struggling small business and self-funded retirees fits within his moral compass?

Mr RUDD—I thank the honourable Leader of the Opposition for his question and the attack contained within it on the policies of Mr Howard and Mr Costello.

Opposition members interjecting—

Mr RUDD—Well, if the Leader of the Opposition and the tactics committee—which we know from the intervention yesterday from the Manager of Opposition Business in the House contains 20 or more tactics and is growing each day—had at least formed a subcommittee to examine what the policies of the previous government were in the making of these payments, perhaps they would not have asked this question in the first place. I say to the Leader of the Opposition: once you have embarked upon a question time strategy like this, when you know that you have run into a fundamental contradiction, quit while you—

The SPEAKER—The Prime Minister will resume his seat.

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

The SPEAKER—The Prime Minister has concluded.

DISTINGUISHED VISITORS

The Speaker (2.14 pm)—I inform the House that we have present in the gallery this afternoon the New Zealand Minister of Labour and Minister for Food Safety, the Hon. Kate Wilkinson. On behalf of the House I extend to her a very warm welcome.

Honourable members—Hear, hear!

QUESTIONS WITHOUT NOTICE

Australian Business Investment Partnership

Mr BEVIS (2.14 pm)—My question is to the Treasurer. Will the Treasurer outline for

the House the possible consequences for jobs in the commercial property sector if the Australian Business Investment Partnership legislation is not supported in the Senate?

Mr SWAN—I thank the honourable member for Brisbane for his question, because unlike the opposition the Rudd government is not willing to sit and wait for foreign lenders to withdraw their money. The opposition think that is fine. The Treasury has been unable to get a commitment from foreign banks operating in this country that none are withdrawing. They have been unable to give that commitment to the Treasury and, as a consequence of that, for the reasons outlined by the Prime Minister before, the country faces the real prospect that some foreign banks will withdraw from banking syndicates in this country. The consequences of that for property prices and jobs in the commercial property sector are grave. Some 150,000 people work in those sectors.

Those opposite over there cannot contain their glee. Look at the smiles on their faces—they cannot contain their glee at the discomfort the global recession is causing this country and they cannot contain their glee at the fact that foreign banks may well withdraw, threatening employment in the property sector. That is why the government has put forward what is a very responsible measure. It is not an open-ended commitment; it is a very prudent commitment. It is a commitment that has been made after seeking the best advice. It is a commitment to support commercially viable projects after independent assessment. Failure to act here will cost tens of thousands of jobs in the Australian economy—of that there is little doubt.

But of course those opposite have come into this House and repeatedly voted for higher unemployment. They came in here when the Nation Building and Jobs Plan was

put through and voted against jobs. They voted for higher unemployment. And they will not accept the advice of those in the community, including the business community, that recommend that this measure is absolutely essential to confidence and employment. To quote again from the Property Council:

ABIP is an essential mechanism to inject stability and confidence into commercial property lending. And the list goes on—with the Master Builders Association and so on. This government will not sit idly by and watch those jobs and small- and medium-sized businesses get wiped out by fluctuations in the global credit market. This is too important for the politicking and point-scoring that is coming from those on the other side of the House.

Of course in opposing this vital measure they are opposing jobs in the Australian economy, and they are doing this in the face of the worst global recession in living memory—because their approach is very simple: just let the market rip. That is what the Leader of the Opposition said when he was asked about this: leave it up to the market. We know what the market will do and we also know that the latest assessment from the IMF is that growth contracted on an annualised basis in the December quarter in the developed world by seven per cent. And those opposite say, ‘Let the market rip.’ That is a recipe for higher unemployment.

As the Prime Minister indicated before, what they are on about here is simply point-scoring. They do not care whether thousands of Australians’ jobs go to the wall; they want to celebrate a political dividend that may come from that consequence. You can see it in their glee and hear it in the moronic statements from those opposite. This issue is simply too serious for the point-scoring from those opposite. What the Leader of the Opposition has demonstrated here is that he is

just an opportunist. He would rather see the commercial property sector hit the wall than see the Rudd government succeed. It is that simple, and that is why their attitude should be condemned. We will pursue this matter as far as we possibly can but unfortunately it appears that in the Senate we will not have the support of the minor parties. The jobs of all those Australians in the commercial property sector threatened by their decision will be on their heads, and shame on them.

Economy

Mr ANTHONY SMITH (2.19 pm)—My question is to the Prime Minister. How many other governments around the world are paying money to crims to stimulate their economies and tackle the global financial crisis? Is this yet another example of the Prime Minister showing global leadership?

Mr RUDD—I would remind the House that the global leadership provided by the Howard government was to preside over the biggest corruption scandal in Australia’s history—it was called the wheat for weapons scandal. There they all sat in the cabinet while it all happened and pretended that they had nothing to do with it.

Mr Pyne—Mr Speaker, I rise on a point of order on the question of relevance. The Prime Minister was asked about the buck stopping with him as the Prime Minister of Australia today and not ancient history.

The SPEAKER—I take it that the point of order was on relevance, because the paraphrasing of the question was extraordinarily wide of the original question. The Prime Minister is responding to the question.

Mr RUDD—Thank you very much, Mr Speaker, and I thank the member for Sturt in particular for his interjection. The wheat for weapons corruption scandal did not happen in ancient Mesopotamia. It happened in modern Iraq and it only happened a few years ago. But, then again, not one for details

is the member for Sturt, as reflected in his engagement yesterday with the Deputy Prime Minister on that minor matter of schools. But we will just let that rest.

I am surprised indeed by the member for Casey's question, given his role as the deputy numbers man for the member for Higgins. To launch a vicarious attack through me on the member for Higgins, the former Treasurer, for having administered selfsame payment to the same category of individuals, I find remarkable indeed. My response to the honourable member's question is: reflect carefully on the arrangements which pertained to and were implemented under the previous government.

Workplace Relations

Ms REA (2.22 pm)—My question is to the Minister for Education, Minister for Employment and Workplace Relations and Minister for Social Inclusion. Would the Deputy Prime Minister outline how the government's Fair Work Bill has got the balance right in providing protection for Australian workers while providing flexibility for small business? Are there any policy proposals that strip away longstanding employee rights?

Ms GILLARD—I thank the member for Bonner for her question and know that she is very concerned to ensure that working people in her electorate have fairness at work and that the employers in her electorate have all the flexibility they need to get on with their businesses. In the lead-up to the 2007 election the Labor Party published its workplace relations policies, and in the election it received a clear mandate from the Australian people for those policies. I remind the House that our election policy clearly stated:

A Rudd Labor Government will introduce a simple system for determining who can bring an unfair dismissal claim based on three circumstances:

- an employee who is employed by an employer who employs 15 or more employees must have been employed for 6 months;
- an employee who is employed by an employer who employs fewer than 15 employees must have been employed for 12 months

...

That is on page 19 of *Forward with Fairness*, our policy implementation plan published in August 2007. The fact that this policy was well known to the Australian community and was campaigned on by the Labor Party was acknowledged by none other than the Leader of the Opposition. The Leader of the Opposition on 13 December last year said—this was recorded in the *Australian* newspaper and not denied by the Leader of the Opposition—in his words, not mine:

... Labor took a proposal to change the unfair dismissal laws to the election and won. So we must respect that.

In the Fair Work Bill debate that is unfolding in the Senate, we ask of the Liberal Party no more and no less than this: to back the words of their leader—apparently a test too hard for them. We are asking them for no more and no less than this: to back the words of their leader. Of course, their leader has also said Work Choices is dead, but now we see in the Senate the Liberal Party doing everything they can to maintain the Work Choices rip-offs.

Yesterday in question time I unveiled a new rip-off from the Liberal Party. When in government they ripped redundancy entitlements off working people and in opposition they wanted to do the same trick. They wanted to rip redundancy entitlements off working people. The Liberal Party had put forward an amendment which would have changed the definition of 'small business' for the purpose of redundancy arrangements and would have ripped redundancy entitlements off working Australians. When I presented this to the House—

Mr Keenan—Mr Speaker, on a point of order: to stop the Deputy Prime Minister misleading the House again, I am very happy to table our amendment.

The SPEAKER—There is no point of order. I could ask if leave is granted for the tabling, but there is really no provision at this stage to seek it. Is leave granted?

Leave not granted.

Mr Pyne—Mr Speaker, on the point of order from the member for Stirling: is it in order, since he gave a personal explanation yesterday clearing up yesterday's misleading of the House, for the Deputy Prime Minister to continue to mislead the House today?

Mr Crean interjecting—

The SPEAKER—The member for Sturt will approach the dispatch box and withdraw.

Mr Pyne—It was good natured, but I withdraw.

The SPEAKER—Whilst I do not really need the assistance of the Minister for Trade on this matter, he is quite correct in his interjections—there are plenty of precedents where these things have been allowed to go on. Whether that is satisfactory or not is another matter. It is something that could have been addressed in the last parliament, but it was not.

Mr Turnbull—Mr Speaker, this is more by way of indulgence and just to assist the House, if I may. Because of the background noise I could not hear the Deputy Prime Minister when she was describing what her policy said about right of entry.

The SPEAKER—Order! Before I call the Deputy Prime Minister, I think that there has been sufficient lenience given on these matters. As I have said before, people might believe that the rules of engagement for question time are uneven, but they are the same as they have been for many years.

Ms GILLARD—I will explain this matter very clearly to the House. The amendment circulated by the Liberal Party sought to change the definition of small business in the Fair Work Bill. It supported changing the number from 15 to 25 and it purported to introduce that the number needs to be an effective full-time equivalent.

Mr Keenan—Show some integrity!

Ms GILLARD—Then, and I will acknowledge this—I presume this is what the shadow minister is yelling about—for the purpose of redundancy it did acknowledge in the amendment that, even though it had changed the definition for unfair dismissal, for redundancy the number should be 15 but the definition of an effective full-time equivalent should be kept. That would have, if it had become the law of this country, changed small business redundancy entitlements so instead of being fewer than 15 on a head count it would have been fewer than 15 effective full-time equivalent employees—quite a different test—and it would have ripped redundancy entitlements off working Australians.

Mr Keenan—You are deliberately misleading!

Ms GILLARD—The shadow minister, who is yelling now, came to the dispatch box after question time and said—and I am going to quote him; I will be fair to him:

... that I and other members of the opposition were seeking to change the definition of a small business for the purposes of paying redundancy. That is completely and utterly false ...

That is what he said at the end of question time after I exposed the Liberal Party redundancy revolt. Then he issued a press release that says, 'Gillard misleads again', claiming I had wilfully misled the House. Then at 10.16 pm last night, the Liberal Party—

Mr Anthony Smith interjecting—

The SPEAKER—The Deputy Prime Minister will resume her seat. The member for Casey is warned.

Ms GILLARD—Then at 10.16 pm last night, the Liberal Party went into the Senate with a different set of amendments—

Mr Pyne interjecting—

The SPEAKER—The Deputy Prime Minister will resume her seat. The member for Sturt will withdraw.

Mr Pyne—Mr Speaker, I withdraw.

Ms GILLARD—I repeat, at 10.16 pm last night, the Liberal Party went into the Senate with the very flaw that I brought to the House's attention in question time corrected. There are two explanations for this course of conduct: (1) is that the shadow minister is completely incompetent—plausible; and (2) is that—and I think this is probably the correct one—the Liberal Party was involved in a deliberate plan to rip off redundancy entitlements from Australian workers and got caught.

This goes to prove that when it comes to workplace relations do not listen to what they say, watch what they do. The Leader of the Opposition is out there saying, 'Work Choices is dead', and then in the party room he is saying, 'Let's go in and fight to keep Work Choices alive'. The Leader of the Opposition is out there saying that they will respect Labor's mandate on unfair dismissal, but the Liberal Party in this place are threatening to keep Work Choices alive on the basis of issues around unfair dismissal. The Liberal Party engaged in a redundancy rip-off. They denied it and then tried to fix it in the dead of night.

I say to the Australian people: always watch what they do, not what they say. And I say to senators as the rest of this debate unfolds—

Mrs Bronwyn Bishop—Mr Speaker, I rise on a point of order. I refer you to page 555 of the *Practice*, dealing with the fact that, although the standing orders are silent on the length of answers, you have a large discretion in fact to direct a minister who offends in the way the Deputy Prime Minister is—

The SPEAKER—There is no point of order. The member for Mackellar will resume her seat.

Ms GILLARD—In conclusion, as the rest of this debate unfolds in the Senate, I say to every senator involved that every Liberal amendment has within it a rip-off they will not tell you about. The Liberal Party did it yesterday and we caught them. Every other amendment has a rip-off at its heart and that is why each and every one of them will be rejected by the government, because we are delivering on our promise to get rid of Work Choices, whilst the Liberal Party twist and turn and do everything they can to keep the rip-offs that they loved so much in government.

DISTINGUISHED VISITORS

The SPEAKER (2.34 pm)—I inform the House that we have present in the gallery this afternoon Mr Graham Edwards, a former member for Cowan, and a former state minister in Western Australia. On behalf of the House I extend to him a very warm welcome.

Honourable members—Hear, hear!

QUESTIONS WITHOUT NOTICE

Economy

Mr HOCKEY (2.34 pm)—My question is to the Treasurer. I refer the Treasurer to the fact that the government is now borrowing more than \$2 billion a week to fund its cash splash. Will the Treasurer advise the House how many recipients of the Rudd government's \$900 cash splash are backpackers,

people living overseas, people in jail or people who are dead, and how many family pets are receiving the money? Treasurer, how can dead people and people in jail spend, spend, spend?

Mr SWAN—That question—

Mr Laming interjecting—

The SPEAKER—Of course, this is not permitted under the standing orders. If the member for North Sydney had really wanted the member for Bowman to answer the question he might have asked him, but he will remain silent.

Mr SWAN—That question from the shadow Treasurer just demonstrates why those opposite cannot be taken seriously in the national debate. We are dealing with a global financial crisis which has turned into a global recession. It is posing the biggest economic challenge to this country in generations. They have got the hide to get up and pretend that the essential economic stimulus we have put in place to boost demand at precisely the time our economy is threatened is not necessary. They are pretending that there is no need for a concerted government response in the face of the biggest global recession since the Depression—no need at all!—no need for any economic stimulus, no need for the payments to pensioners, no need for the payments to families with children, no need for the payments to carers and no need for tax bonuses.

That is what this question is all about. It is somehow to justify their pathetic political strategy in this House, when the truth is that the country desperately needs these payments to boost demand, to fill the gap before the spending is put in place, which is part of our investment package to boost demand through boosting expenditure on schools, housing and energy efficiency. They do not support those either. So what does the government do when there is such a large exter-

nal shock? How does the government respond to prevent unemployment going through the roof?

I will tell you what a government does: it takes decisive action, and that is what this government has done. We have taken decisive action which has involved payments to pensioners. It has involved payments to families. It involves tax bonuses to many people who have not received a tax cut from those opposite. That is certainly what it involves. I guess what the member for North Sydney is saying is that they now oppose the \$900 bonus that goes to single low-income earners—people they could never give a tax cut to. They now oppose the tax bonus which is going to those families without children—people who rarely got a tax cut from those opposite. That is what these questions are all about—to justify somehow their political strategy, which wants the country to simply sit and wait and have the global recession run over it, causing immense human carnage. I say to them: you should be deeply embarrassed by your approach in the House today. It is certainly not supported by any of the leading business organisations in this country; they absolutely understand the need for economic stimulus.

Mr Anthony Smith—Mr Speaker, I rise on a point of order on relevance. The Treasurer was asked a very specific question: how many recipients of the \$900 cash splash are backpackers, people living overseas, people in jail, the dead or family pets? It was very specific.

The SPEAKER—The member for Casey will resume his seat. By reading out the last part of the question he does not refer to the matters contained in the first part. The Treasurer has the call.

Mr SWAN—Those opposite are so politically twisted that they would rather see the country fail than the government succeed.

That is the truth that underlines the tactics in this House today and yesterday.

I went to the G20 conference and, as a consequence of that, I was not here last Thursday or on Monday. I tell you what: when I came back to the House yesterday I was shocked by the approach of those opposite. They have become politically embittered and this is preventing the debate the country needs at this stage, when we face such an enormous challenge.

Mr Pyne—Mr Speaker, I rise on a point of order. The question was very specific. If he cannot give a specific number, he should sit down.

The SPEAKER—No, the member for Sturt will sit down.

Mr SWAN—They are united by their hatred of the Labor Party. They should be acting with us because of love of the country.

Executive Remuneration

Ms LIVERMORE (2.40 pm)—My question is to the Treasurer. Will the Treasurer outline for the House the steps taken by the government today in relation to golden handshakes and executive pay?

Mr SWAN—I thank the member for Capricornia for her question. It is a very important question and one that many Australians are deeply concerned about. Today the government announced two new initiatives on the issue of executive pay. All honourable members in this House will be aware of the deep community concern and anger over this issue, particularly when some of these payments are received by people who are giving redundancies to large numbers of working Australians.

The Rudd government is determined to do all that can be done to get business leaders to heed the community's message on this issue. We are certainly very determined to do that. Today I announced two important down

payments in this area. The first one will curb golden handshakes in the form of termination payments paid to executives in Australia. Laws left to this government by those opposite allow termination payments for directors to reach up to seven times their annual pay before any approval process is required. The community is deeply offended by some of these golden parachutes, so the government will amend the Corporations Act to significantly lower that threshold, and this means termination payments will require shareholder approval if they exceed one year's average base salary for directors.

Secondly, we will also legislate to extend the coverage as to which termination payments are to be subjected to shareholder approval. Currently only directors' termination payments must be approved. We will legislate to expand the coverage of shareholder approval to cover executives named in the executive pay report—in most cases, the five highest paid executives. We will also broaden the definition of 'termination benefit' to catch all types of payment and rewards given at termination. Finally, we have asked the Productivity Commission to examine the broader issue of executive pay. Today the government announced that we have appointed Professor Allan Fels as an associate commissioner to assist the Chair of the Productivity Commission, Gary Banks, with this process.

Golden handshakes, particularly where a company has not performed or where workers are being retrenched, are simply a means of rewarding failure and are absolutely unacceptable. So today we are sending a very clear message to corporate Australia: your actions are under scrutiny and the community does expect better because, as we go through this challenge of the global recession, we are going to require all the reserves of unity that we can muster as a nation. We need executives and workers working to-

gether, but to get that trust there has to be basic fairness and decency in the arrangements that apply to the workforce as well as to those who employ them.

So it is the case that we must do better here. We must do a lot better. It is not just a question of the individuals involved; it is a question of the community having trust in all of its vital institutions, including its successful business enterprises, and that is why reform is required in this area—because, frankly, the largesse of the last decade has been a slap in the face to many working people who, in a system of enterprise bargaining, understand that they do need to increase productivity to get a wage rise. That has been central to the mantra on this side of politics for many years, but workers want to know why the same principles do not necessarily apply to the people who employ them. That is why this is such an important measure. It requires reform. It requires better corporate governance. It does require incentives in the system which reflect the capacity for work and the contribution that people make.

Of course, in the last decade or so, for many people the gap has just widened and it has got out of whack. It is a complex issue, and that is why we have decided to have a Productivity Commission inquiry and look at all of the issues involved. Further measures will come following that inquiry. It is very serious, but it also goes to the heart of unity in this country and how we can work together to make our economy stronger and not be divided because of these obscene payments that are being taken by a few.

Australian Business Investment Partnership

Mr HOCKEY (2.46 pm)—My question is to the Treasurer. I refer the Treasurer to his comments that the government's planned Ruddbank could be used to rescue a billion-dollar luxury apartment project in Brisbane. I

also refer the Treasurer to the failed Labor state banks in Victoria and South Australia and to Western Australia Inc. Has the Treasurer spoken to his Labor colleagues in Victoria, South Australia and Western Australia, who sent their states broke by losing billions of taxpayers' dollars in failed commercial property projects?

Mr SWAN—From someone who presided over HIH I do not think that we ought to be lectured about probity—not by a lawyer for merchant bankers and not by a merchant banker. They have no credibility to lecture this side of the House. There we have it: the former merchant banker, the lawyer for merchant bankers and the member for Higgins up the back, who could not get a job as a merchant banker. He is going up the totem pole every day.

Mr Hockey—Mr Speaker, I rise on a point of order. It goes to relevance. I would ask the Treasurer to answer the question. Maybe then he could also explain the—

The SPEAKER—Order! The member for North Sydney will resume his seat.

Mr Hockey—brown paper bags as the state secretary in Brisbane.

The SPEAKER—The member for North Sydney is warned because of his continuation way beyond the point of order. Fortunately for him, I was trying to get him to sit down and I did not exactly hear what he said, but I started to get the drift, and I do not think that that was very helpful. Because the member for North Sydney has not understood this when I have said it to him before, I would simply say that, in the crafting of the question, I think a lot of leeway was given about the question and the amount of argument and other matters that go to what the standing orders allow in questions. But I allowed that question, and I think that that needs to be recognised sometimes.

Mr SWAN—Those opposite seek to say that there are no safeguards in this legislation. They seek to deny the fact that its governance rules mean that it has to operate commercially. They seek to ignore all of that. We set up a corporate structure here with the best advice from some of the most respected people in Australian business—

Opposition members interjecting—

The SPEAKER—Order! The question has been asked.

Mr SWAN—people who I know are respected by the Leader of the Opposition. This just shows how opportunistic he is prepared to be, because we have taken advice from people who, I would say, are not on our side of politics when this was set up. We have taken plenty of advice, and we have put in place all the safeguards for this enterprise that you would expect with modern corporate governance. They were outlined at length in the House last night, and in the summing up of the debate I went through them in great detail, because this is only here for viable commercial property holders.

What the opposition are seeking to deny is the fact that foreign banks, if they withdraw, cannot be replaced by domestic funding. They must be the only people in the country who do not believe that. First of all, they obviously do not accept that there is a problem internationally with toxic assets in the banking system. They do not accept the fact that international banks that have been nationalised in their home country, whether it is Britain, France or Germany, are now being told to come home by their new owners. They do not appreciate any of these facts; they just seek to ignore them all because of their blind politics when it comes to trying to score a point against the Australian Labor Party.

Of course, the member for North Sydney seeks to say that the Vision tower in Brisbane

would automatically receive funding. It will go through that process like every other project, and I have no idea whether it will receive funding, but I tell you one thing: we will try. We will give them access to a financial instrument if they pass the test. Do you know what that means? Australian jobs. That would be a terrible thing—supporting Australian employment! Your political approach in this matter has unravelled in this House today. Your naked political opportunism and your bitterness have been on show for all of the Australian people, and you should be ashamed of yourselves.

The SPEAKER—Order! I would remind the Treasurer of the requirement to direct his remarks though the chair.

Alcopops

Ms COLLINS (2.51 pm)—My question is to the Minister for Health and Ageing. Will the minister explain to the House the progress of the government's action on alcopops and any likely consequences if the bill is blocked?

Ms ROXON—I thank the member for Franklin for her question. I know that as the mother of several young children she is thinking about what will happen when they become teenagers. Along with many on this side of the House, she is particularly interested to make sure that teenagers do not have cheap and easy access to alcopops.

Today in the Senate the Liberal Party have made clear again their intention to oppose the government's alcopops measure. What they have made clear is that they intend to send a cheque for \$300 million directly back to the distillers. That is what I call one hell of a shout. They are going to make alcopops cheaper for teenagers. As a consequence of the Leader of the Opposition's absolute lack of interest in this issue and his determination to show no leadership, he is going to make sure that young people can get these products

at a cheaper price everyday in probably just a couple of weeks time if this measure fails. In fact, I am sure that Malcolm Turnbull is going to fast become the toast of every 18th birthday party from Brisbane to Broome. They will be happy that they can get these products cheaper thanks to the Leader of the Opposition. It really is quite surprising.

He might be the toast of the 18th birthday parties across the country, but he will not be toasted at the emergency departments across the country. The Liberal Party will be cursed when emergency departments have to pick up the pieces across the country. He might be toasted at schoolies, but he certainly will be cursed at every police station across the country. He might be toasted around the board tables of big alcopop companies, but around the kitchen tables, by mums and dads of teenagers, he will be cursed.

Let me explain again why this measure is so important—particularly for those on the other side of the House who might not have been in the parliament in 2000 when the Liberal Party first created this tax break for alcopops. They took a sugary drink they knew was targeted at under-age drinkers and they gave it a tax break. Since then, these drinks have become immensely popular. Let us just have a look at one of the statistics. For high-risk female drinkers aged 15 to 17, in the year 2000, before the Liberal Party gave alcopops this tax break, only 21 per cent had drunk alcopops on their last drinking occasion. By 2004, after four years of this tax break, that had risen to three out of every four 15- to 17-year-old high-risk female drinkers. Alcopops sales shot up by 250 per cent, all courtesy of a decision by the member for Higgins.

We know that alcohol abuse is a serious problem. Unlike the Leader of the Opposition, we are prepared to do something about it. It is not just the alcopops measure; we are

also investing \$872 million in prevention measures—\$53 million in direct anti-binge-drinking initiatives. If this measure is passed we have put on the table another \$50 million to look at sponsorship, to look at expanding the social marketing campaigns and to look at a number of community-level initiatives. Since our measure has been in place—for almost 12 months—310 million fewer standard alcopops drinks have been sold. That is a lot less consumption. Overall, alcohol sales have fallen by 124 million standard drinks—and Malcolm Turnbull wants to give them all back.

Alcopops

Mr DUTTON (2.56 pm)—My question is to the Prime Minister. Prime Minister, I refer to the fact that the coalition today have actually moved an amendment to legalise the \$300 million to date for a special alcohol abuse fund but that the Labor Party in the Senate did not support it. We have circulated an amendment again today. Will the government support that amendment?

Government members interjecting—

Mr Dutton—Three hundred million dollars for a fund.

The SPEAKER—Order! The member for Dickson has asked his question. The Prime Minister has the call.

Mr RUDD—The member for Dickson is angered by one fact, and that is that the Liberal Party, once calling itself the party for family values, has now become the party for binge drinking. It stands absolutely condemned.

Opposition members—Withdraw!

The SPEAKER—Order! The member for Corangamite will resume his seat.

Mr Pyne—Mr Speaker, I rise on a point of order. I ask you to require the Prime Minister to withdraw the statement that we are the party of binge drinking. That is offensive

to all of us. It is particularly offensive to the member from Perth, who was referred to yesterday, and it is offensive to me personally. He should be required to withdraw it.

Mr Albanese—Mr Speaker, as the Manager of Opposition Business well knows, for someone to seek objection it must be a personal comment against an individual member of the House.

Government members interjecting—

The SPEAKER—Order! The three members will resume their places.

Opposition members interjecting—

Mr Irons—Mr Speaker, I rise on a point of order. I ask the Prime Minister to withdraw because I personally take offence to his remark.

Opposition members interjecting—

Government members interjecting—

The SPEAKER—This is akin to a ruling that I gave the day before yesterday, whilst I appreciate that it is in a totally different context. The clearest rulings that have been given about these matters have been given by Speaker Snedden, as quoted in *House of Representatives Practice*. For some, when we read the outcome of the implementation of what Speaker Snedden indicates, it is a tough business. Often remarks made in the context of us as members of parliament and in the political profession would be seen as being things that we would not wish to be entered into the debate. But, as Speaker Snedden said, the fact that we are in the public eye from time to time means that things like this occur and comments are made, and, no matter how harsh they appear, it is probably the judgment of others that decides these matters.

Mr Laming—Not by the Prime Minister. This is a disgrace. You are a disgrace!

The member for Bowman then left the chamber.

The SPEAKER—The member for Bowman has withdrawn of his own volition. I did not invite him to withdraw.

Mr Abbott—Mr Speaker, just to clarify: are you ruling that the Prime Minister need not withdraw that remark—notwithstanding that many people on this side found it offensive?

The SPEAKER—The member for Warringah has asked me a question. That is what I am saying, on the basis of my understanding of those matters that have been traversed in practice and akin to the ways in which other occupants of this chair, since Speaker Snedden, have ruled on these matters.

Mr Abbott—Mr Speaker, I appreciate what you have just said, but the Prime Minister has had a few moments now to reflect on the remark and perhaps he might care to withdraw it of his own volition, without your ruling that way.

Mr Rudd—Mr Speaker, if it assists the House of course I withdraw.

The SPEAKER—I thank the Prime Minister.

Opposition members interjecting—

The SPEAKER—Order! I would have thought that there would be no need for this to be continued at this stage. It is not helpful.

Mr Costello interjecting—

The SPEAKER—The member for Higgins is not being helpful at all.

Government members interjecting—

The SPEAKER—The answer to the member for Higgins' interjection is: how long is a piece of string?

Alcohol Abuse

Mr CHEESEMAN (3.03 pm)—My question is to the Minister for Home Affairs. Will the minister update the House on binge drinking and what it means for our front-line police?

Mr DEBUS—I thank the honourable member for Corangamite for his entirely relevant question. Binge drinking, the excessive consumption of alcohol, is a national problem that confronts police in every jurisdiction across Australia every day. A report prepared by the National Drug Law Enforcement Research Fund, published last year, conservatively estimated the cost of alcohol related crime in Australia to be over \$1.7 billion a year based on recent analysis. The policing costs alone are estimated at \$747 million a year. Imagine what we could do if we had an extra \$747 million a year to spend on front-line policing. There would be another 7,000 constables.

The men and women of our police forces routinely face situations as a consequence of alcohol abuse that all of us here would find utterly confronting. They are often the first on the scene attending horrific road accidents. Then they have the onerous responsibility of telling the parents that their child, a young P-plate driver, was killed because of an alcohol related incident. They have the responsibility for presenting these tragic cases to the coroner and prosecuting another P-plater for causing the death of their best friend. The report that I have mentioned also found that the total cost of alcohol related road crashes was over \$3 billion a year, including human costs of nearly \$2 billion and general costs, including police attendance, of nearly half a billion dollars—again, money that could be far better spent.

We in the Commonwealth have a responsibility to do what we can to demonstrate leadership, and that means right here in the parliament. Over the break we are going to be spending more time working in our electorates. I cannot imagine how members opposite will explain to their local police—the men and women on the front line facing these issues on a daily basis—why they do not support them. While it is the states and

territories that deal with the day-to-day law enforcement difficulties that come from binge drinking, the Commonwealth must act where it has the power to do so. The government finds it astonishing that the opposition are refusing to support Australia's working police men and women and prefer to hand truckloads of money back to the liquor industry. Police have been publicly pleading for more action on binge drinking. We should not ignore our police. It is they who are on the front line, not the Liberal Party.

Employment

Mr JOHN COBB (3.06 pm)—My question is to the Minister for Agriculture, Fisheries and Forestry. I refer to the government's decision to abolish the 40 per cent rebate on quarantine export services and to increase fees to exporters by up to 1,352 per cent. Given that Australia's competitors do not impose full cost recovery on their meat, fish, horticulture and seed exporters, can the minister say how many of Australia's 50,000 meat workers can expect to join the Rudd redundancy queue as a result of this new tax on exports?

Mr BURKE—I thank the shadow minister for agriculture for his question. He refers to the abolition of the 40 per cent export subsidy which was proposed in the budget papers of the previous government. The previous government had it expiring at the end of the current financial year, and it does expire at the end of the current financial year. We had ABARE model what the cost would actually be to exporters, and the ABARE modelling came back that the costs to exporters would be equivalent to a half of one cent movement in the Australian dollar.

Schools: Funding

Mr BIDGOOD (3.08 pm)—My question is to the Minister for Education, the Minister for Employment and Workplace Relations and the Minister for Social Inclusion. Would

the Deputy Prime Minister update the House on the progress of the Eatons Hill State School application for funding under Building the Education Revolution and inform the House of other schools in the electorate of Dickson that may be eligible for funding.

Ms GILLARD—I thank the member for Dawson for his question. Once again, of course, it is a Labor member who takes a keen interest in the welfare of schools in the electorate of Dickson. The Labor Party yet again steps into the breach to make sure that those schools are properly represented in this place.

I know that the state of the application for funding of the Eatons Hill State School is a matter of extreme interest to this House—after all, we had three questions, three points of order and a member of parliament excluded over it yesterday—so I wanted to make sure that members around the parliament understood that this school, and schools right around the country, are eligible for funding under the Rudd Labor government's Building the Education Revolution program. It is the single biggest school modernisation program in this nation's history, covering 9,540 schools around the country, with a total funding injection of \$14.7 billion to renew and rebuild our schools and to support jobs right around the country in these difficult days following the global financial crisis.

This program has been embraced by members of parliament who want to represent their electorates and by the Independent members of parliament who want to see improvements in their local schools. It has been embraced by education stakeholders, and I will quote just one. The President of the Australian Primary Principals Association, Leonie Trimper, described it as fantastic news:

This is a fantastic win-win for all Australians ... a lasting investment in Australia's future – our primary school students.

That is her endorsement of this program. Despite the fact that education stakeholders have endorsed it, that schools around the country have endorsed it and that decent, hardworking members of parliament in this place have endorsed it, we know that the Liberal Party and the member for Dickson are opposed to it. Apparently, their only interest in this program, as evidenced in this parliament, is making sure they get invited to the opening ceremony. They did not want to come into the parliament and vote for the program and they do not want to assist their local schools getting into the program. And, when a local school is assisted by someone else, then they want to criticise the provision of that assistance—the way the member for Dickson criticised the member for Petrie for helping out one of his local schools in this parliament yesterday.

Just to complete the picture, I say to the member for Dickson that, in standing in the way of the Building the Education Revolution program, he is not just standing in the way of new facilities at the Eatons Hill State School. For the edification of the member, let us be absolutely clear about what he is standing in the way of. He is standing in the way of new facilities at the 39 primary and K-12 schools in his electorate, who, in total, are eligible for \$69.5 million of funding under the Primary Schools for the 21st Century program—and I table a list of those schools. He is standing in the way of 45 schools in his electorate who are eligible for up to \$6.2 million in National School Pride Program funding—and I table a list of those schools. He is standing in the way of the fact that the eight secondary schools in his electorate are eligible to apply for either a science laboratory or a language centre—and I table a list of those eight schools that he has opposed

these new facilities for and opposed giving any assistance to.

Just in case the member for Dickson is never able to return to the Eatons Hill State School—and I am betting there is some merit in me coming to that conclusion—and in case he never sees this facility, I table, for his edification and for the edification of the House, the foundation plan of the new facility the Eatons Hill State School has planned, the front elevation view of the new facility the Eatons Hill State School has planned and the site plan of the new facility the Eatons Hill State School has planned. And, just because I know that the 960-odd students at that school and their parents got such a shock yesterday that their local member of parliament would stand against funding for their school in this parliament, I will also table the diagrammatic electrical plan of the new facility for the Eatons Hill State School.

Townsville Hospital

Mr LINDSAY (3.14 pm)—My question is to the Minister for Health and Ageing. I refer the minister to a report that was released yesterday by the Australian Medical Association of Queensland. It identified Townsville Hospital as ‘Queensland’s most under-pressure hospital, with up to 26 people awaiting transfer from the emergency department at any one time’. Since the Prime Minister believes the buck stops with him, when will the government take over the running of the hospital from the incompetent Bligh government?

Ms ROXON—I thank the member for that question. I know that these issues are of concern to the members of Northern Queensland electorates. In previous times, I have been to Townsville and Cairns, where, because of the growing population, there is enormous pressure on the hospitals. However, I might remind the member that the previous government, which he was part of,

did not have any facility for infrastructure investment that they would provide to the states and territories to work on these issues.

We have established a health and hospitals infrastructure fund, and we have invited states and territories to put in requests for priority projects. I know that Townsville Hospital is an issue for which the state Labor government—obviously there is an election on—has previously expressed interest in receiving support for. We are going through a process where an independent advisory board makes recommendations to us, and we will assess those and make announcements in due course. I might also remind the member for Herbert that we made a number of election commitments in Townsville, including the establishment of a new GP super-clinic. The consultations in Townsville were very well attended. One of the key issues raised was that the establishment of a clinic, appropriately supported, would take pressure off the emergency department of Townsville Hospital. He might also be aware that we committed \$750 million to invest in emergency departments across the country. Queensland received \$146 million of that funding. Those emergency departments that are under particular pressure in growing communities like Townsville will be receiving that funding. Of course, it might be a matter for a new government, if they still wish to receive our funding. I know that my colleague the Minister for Infrastructure, Transport, Regional Development and Local Government has been told by the Liberal National Party that some of that money would not be wanted. I hope that is not the case in health.

The member might also be aware that we provided funding for additional elective surgery procedures—something that, in Far North Queensland, has been an issue. Queensland committed, for the \$27.6 million that we provided them with, to undertake

4,000 extra surgeries. In fact, they were able to carry out 5,928 surgeries, and I know that across Queensland people are very grateful that the Commonwealth government has been prepared to work with the state government to deliver those services. We intend to keep doing that in the provision of investment in our hospitals, in the provision of investment in primary infrastructure and in making sure that our infrastructure fund is used in an appropriate way.

Defence Housing Australia

Mr NEUMANN (3.18 pm)—My question is to the Minister for Defence Science and Personnel. What progress has been made by Defence Housing Australia as part of the government's Nation Building and Jobs Plan, and what has been the response from the defence and broader communities?

Mr SNOWDON—I would like to thank the member for Blair for his question and note the significant impact that the government's Nation Building and Jobs Plan will have on his electorate. As part of the Nation Building and Jobs Plan, the government provided Defence Housing Australia with \$251.6 million for the building of 802 dwellings for Australian Defence Force personnel in metropolitan and regional areas across the country. The member for Blair's electorate will benefit from the construction of 133 new dwellings as a result of this program.

I am pleased to announce that strong progress has been made since February of this year, when the plan was first launched. Seven building contracts have been signed, worth \$24.5 million, to build 100 houses. These are in Brisbane, at Pickering Hill; in Adelaide, at Andrews Farm; and in Ipswich, at Fairview Rise. Construction of these dwellings will commence in a few weeks. By June of this year, we expect to sign another 32 contracts for a further 283 houses. Under the Nation Building and Jobs Plan, construc-

tion will be carried out in 17 areas across Australia—in Adelaide, Brisbane, Darwin, Melbourne, Townsville, Ipswich, Sydney and many other places. It is estimated that the building program will support up to 2,000 jobs.

I can also flag today that DHA will soon establish an apprenticeships program to support DHA's expanding building program, bringing forward their pre-existing building schedule by some 74 per cent. The new apprenticeships program will deliver 20 new four-year apprenticeships to provide employment and training opportunities in locations where DHA will have intensive building activity over the next few years. Nicole Quinn, the National Convenor of Defence Families Australia, said about this program:

DHA is very excited to see such an extensive rollout of new housing for ADF members and their families. It is great to see the government recognising the support ADF families provide to our serving members. This extra housing is a welcome step to accommodate Defence families with modern housing in recognition of the transient lives they lead.

That is a very strong endorsement of this program. It is a program that is very popular with the defence community across Australia. It is a program which will create job opportunities and opportunities for small business across the community. I find it passing strange, then, that the following members of this House, whose electorates will actually benefit from this construction activity—

Mr Fitzgibbon—Name them.

Mr SNOWDON—The member for Paterson, the member for Herbert—he who says that he is a great supporter of Defence Force families; he who says he is a supporter of the Defence Force in Australia. Why did he oppose a proposition that would provide an additional 118 houses in his electorate? Why did he oppose a proposition that would provide jobs for workers in his electorate? Why

did he oppose a proposition that would provide opportunities for small business in his electorate?

Of course, there are others. Let me tell you who they are: the member for Gilmore; the member for Groom; the student, the member for Mayo; the member for Indi; the member for Riverina; and the member for Flinders. What is even stranger is that there are 17 opposition electorates that have significant Defence Force facilities within them. What do these members of the opposition say to their Defence Force communities when they visit these places?

Mr Albanese—Are they consistent?

Mr SNOWDON—They are consistent all right. When they are asked, ‘Did you support this proposal? Do you support our families in getting new homes?’ they have to say ‘no’. In fact, what they have to tell them is: ‘We would vote to not give you a brass razoo. You’re not worth a crumpet. We couldn’t be bothered giving you anything, not even the crumbs off the table, to provide new housing.’

The member for Wentworth has some significant Defence Force assets in his community. He has the Garden Island dockyard and defence precinct, he has HMAS Kuttabul, he has HMAS Watson, he has the Navy fleet headquarters and he has Navy Fleet Base East.

Mr Turnbull—You’ve forgotten Victoria Barracks.

Mr SNOWDON—And Victoria Barracks is in it as well. Let me ask the member for Wentworth: why wouldn’t you bother saying to those people why you voted against this particular measure?

The SPEAKER—The minister will resume his seat. The Leader of the Opposition on a point of order.

Mr Turnbull—Victoria Barracks has been there for 150 years and he doesn’t even care.

Mr SNOWDON—I say to the member for Wentworth: what are you going to say to the members of the Defence Force in those barracks as to why you oppose this measure? Will you tell them that you voted against giving them any money for new housing through this proposal? What we know is that those opposite exhibit gross hypocrisy about jobs. What we hear out of the opposition leader’s mouth time and time again is ‘jobs, jobs, jobs’. But when he gets the opportunity—

Opposition members interjecting—

The SPEAKER—Order! The minister will ignore the interjections. The interjectors will cease.

Mr SNOWDON—When he gets the opportunity to vote for jobs, jobs, jobs, what does he do? He votes against it. What does he do when he gets an opportunity to vote—

Mr Robert—Where are the slouch hat jobs? Do you want to talk about military jobs? Well, stump up and talk about them.

The SPEAKER—The member for Fadden is warned.

Mr Turnbull—Mr Speaker, I raise a point of order on relevance—although it is good to know that jobs, jobs, jobs are starting to sink in, even with this minister.

The SPEAKER—The minister is responding to the question but he will bring his answer to a conclusion.

Mr SNOWDON—As others have said in this place, we will know the truth of their words by their actions. We know what their actions in this place are on jobs, jobs, jobs. They vote against them at every opportunity.

Lyne Electorate: Port Macquarie Base Hospital

Mr OAKESHOTT (3.27 pm)—My question is to the Prime Minister. Prime Minister, in light of the failure of the state administration within New South Wales to deal with the obvious and urgent growth demands in New South Wales North Coast hospital emergency departments and in light of the highly questionable and flawed New South Wales state submission to the Health and Hospital Fund, can the Prime Minister update the House on the progress of my submission to the Health and Hospital Fund for funding for the Port Macquarie Base Hospital emergency department and intensive care unit expansion, which remains identified as the No. 1 capital works project on the North Coast by clinicians and health planners servicing one million North Coast residents but which for some reason remains off the radar of the state administration?

Mr Hockey—It should be privately owned.

Mr RUDD—I thank the honourable member for his question. I just heard the member for North Sydney interject, ‘It should still be privately owned.’ I would refer the member for North Sydney, who had something to do with the Greiner-Fahey government, to the report of the New South Wales Auditor-General, who reported into the privatisation of that hospital and remarked that, ‘The government of the time was paying for the hospital twice then giving it away.’

Mr Hockey—That’s not right; it was actually—

Mr RUDD—The member for North Sydney says the Auditor-General of New South Wales is completely wrong and that he, the member for North Sydney—the then adviser, I presume, to the then Premier of New South

Wales—was right. I will let others account for the history of that.

The honourable member raises an important question about the state of the hospital at Port Macquarie. He asked specifically about an update on the progress of his submission to the Health and Hospitals Fund. I cannot give that to him. I will inquire after question time from the Minister for Health and Ageing as to the status of his submission. More broadly, could I say in response to the honourable member that the purpose of the Health and Hospitals Fund is to provide support for further injections into the public health system of Australia. I would note also for the record, in response to the honourable member’s question, that the fund is directly opposed by those opposite. Their position on investment at the national government level into the health and hospitals of Australia is that they refuse to take any role in sharing the burden. That is reflected in their vote and their participation in the debate on that fund when that matter was in the House some time ago. That is the first point.

The second point goes to the Council of Australian Governments, agreement on health and hospital funding, which was reached between the Commonwealth and the states at the end of last year. That agreement contained a \$64 billion Australian healthcare agreement, which represented a 50 per cent increase on the previous healthcare agreement negotiated between the previous Liberal-National Party government and the states and territories. What has the opposition said about that COAG agreement? They have said they would not have signed it; they would not have provided that funding. This is where we get to the absolute core of the difference between our attitude to supporting investment in the health and hospital system of Australia and the attitude of those opposite. As part of that health and hospitals agreement, we provided \$1.1 billion to train

more doctors, nurses and other health professionals, \$750 million to take pressure off emergency departments, \$872 million for the first-ever preventative health partnership and half a billion in measures to provide additional subacute care. These are practical measures which the Commonwealth and the states and territories—Liberal and Labor—sat down and agreed together here in Parliament House in Canberra at the end of last year. But let it be stated clearly for the record that the member for North Sydney, the shadow Treasurer—and I am pretty sure it was on radio, Joe—said that he would not have signed that agreement. In other words, in reality what the member for North Sydney and the Liberal Party said to state and territory governments and to the 700-plus hospitals across the country was, ‘We are not going to be there at all.’

Mr Hockey—Mr Speaker, I rise on a point of order. I want to assist, Kevin, here and, in fact, point out that—

The SPEAKER—Order! The member for North Sydney has risen on a point of order and he must refer to members by their correct titles.

Mr Hockey—I am sorry. I want to assist the Prime Minister here and recognise that we said we would do it differently. We would not have—

The SPEAKER—The member for North Sydney will resume his seat. That is not a point of order.

Mr Hockey interjecting—

The SPEAKER—The member for North Sydney is warned!

Mr RUDD—I appreciate the member for North Sydney’s interjection because what the House would now want to know is which one in the \$1.1 billion to train more doctors would he cut?

Mr Pyne interjecting—

Mr RUDD—You say you would pay less. Which part would you pay less for? The \$750 million to take pressure off emergency departments—would you cut that? I hear nothing. The \$872 million for preventative health care—

Mr Hockey interjecting—

The SPEAKER—The member for North Sydney will resume his seat. The Prime Minister has the call. He will respond to the question.

Mr RUDD—So here we have yet another case study of the opposition trying to walk both sides of the street. The motto of this modern Liberal Party is capital ‘O’ Opportunism—sounding as if they are concerned about an issue but when it comes to the substantive matter—

Mr Truss—Mr Speaker, the point of order is on relevance. The member for Lyne asked a specific question about the Port Macquarie hospital. This diatribe has nothing whatever to do with it.

The SPEAKER—The Leader of the Nationals will resume his seat.

Mr RUDD—The quantum of Commonwealth government funding for health and hospitals is of direct relevance to what happens at the Port Macquarie hospital, through the whole range of funding which we provided through the COAG agreement at the end of last year. Obviously, the Leader of the Nationals thinks that he can just pluck a bit of money from under a carpet somewhere and it will mysteriously find its way into a hospital emergency department. We have a different view. We have invested in the future of health and hospitals. We have done so in our payments, particularly targeted to outcomes measures in emergency departments. This is practical stuff. Those opposite have been caught out because they say they would cut the amount of money to be provided to the states and territories in these areas but—

Mr Hockey interjecting—

Mr RUDD—He is saying that investing in our hospitals is not spending money wisely. That is exactly what the shadow Treasurer is saying. I say this to the member for Lyne: in contrast to those who preceded him in the seat which he represents in this parliament, he has raised an important matter concerning the hospital in his electorate, and, in terms of the submission which he has provided to the Health and Hospitals Fund, which those opposite have opposed, I will come back to him on the status of the submission. I conclude by saying that those opposite (a) opposed the fund and (b) opposed the single largest Australian healthcare agreement signed between the Commonwealth government and the states. Once again, their hypocrisy is on full display.

Water

Mr CHAMPION (3.35 pm)—My question is to the Minister for the Environment, Heritage and the Arts. What is the government's approach to restoring environmental flows to the Murray-Darling Basin and what has been the response to these measures?

Mr GARRETT—I thank the member for Wakefield for his question. It is the case that hot and dry conditions have kept Murray inflows at historic lows and, regrettably, there is a low likelihood of significant improvement over the next few months. It is the case that the CSIRO, in its whole-of-basin sustainable yields report, did show that the Murray-Darling Basin and its environment will bear the brunt of future likely impacts of climate change and continuing weather patterns in south-eastern Australia, which see hotter conditions and drier conditions as a whole. The government have been consistent and decisive about what is needed to address this issue, and it is a serious issue. The government are investing \$3.1 billion in purchasing water entitlements and some \$5.8

billion in modernising irrigation infrastructure. We have purchased water from rivers in the Murray-Darling Basin for the first time ever and brought forward half a billion dollars to accelerate our water purchase program.

We have secured a historic referral of powers from the states and passed legislation to deliver the first ever basin-wide plan in 2011. We are committed to projects worth \$3.7 billion across the basin to improve water efficiency in irrigation and recently provided \$5.6 million for on-farm water efficiency pilot projects and some \$2 million from the Healthy Headwaters Program for on-farm irrigation technology. In difficult times, the government is getting on with this delivery.

I am asked by the member: what has the response been to these measures? I have to say that the response has been pretty confusing, because the coalition has had 12 different positions on the issue of Murray-Darling Basin water. Let us count the 12 positions. They like counting things out over there, so let us count them. Position 1 was the member for Flinders supporting the government's buyback. He said, on 29 April 2008:

We are pleased that ... they're involved in the buyback..

Position 2 was on the same day when, at a doorstep, he said:

The buyback won't help at all. It won't help the Murray. It can't help the Murray unless you make the efficiencies.

Then, in position 3, he said in a media release that the buybacks are extreme, mentioning:

Penny Wong's plans to rip the heart out of country Australia through her extreme farm buy-out plans.

To add to the confusion, other opposition members who have a different view on what

water policy should be have weighed in. The member for Calare said:

Minister Wong's announcement of a \$50 million water buyback is politics not policy.

Mr Pyne interjecting—

Mr GARRETT—But then the member for Sturt, who is interjecting across the chamber—and I am happy to quote him back to himself—said:

There should have been a billion dollars being spent on returning environmental flows in the Murray-Darling Basin.

But the problem for the member for Sturt was that he had not spoken about this policy position of the coalition to the member for Murray, who says that we should be restricting the buyback. She said in a press release:

Minister Wong should conduct the buyback only on overallocated streams.

The member for Mayo chimed in. On 891 ABC Adelaide on 10 October, he said: 'Speed up the buyback. We need to hasten these plans. We need to get the buyback happening more quickly'. Then, of course, we had the memorable contribution from the member for Bradfield, when he was asked on 31 July 2008 if he would consider compulsory acquisition. He said:

Well I think that's the kind of thing that needs to be considered in different parts of the basin.

This brings me to the Leader of the Opposition. The Leader of the Opposition had the view—and it was a different view from that of the member for Bradfield—that they should not consider compulsory acquisition. He said earlier:

... our plan is based on no acquisitions of water being other than from willing sellers.

Now we get to position 10. As Parliamentary Secretary for Water, he said that the buyback was suddenly necessary:

It is increasingly difficult to see how the Living Murray initiative can be met without the purchase of water for the environment by governments.

Then we come to position No. 11. As shadow Treasurer last year, he said, 'Buy less water'. He said:

Senator Wong is allocating more money for water buybacks than we would have allocated.

Finally, we come to position No. 12. As opposition leader this year, he said, 'Buy more water'. He said:

... and we believe there is—then that water should be bought in order to preserve the health of the lower part of the system.

If ... temporary water ... can be acquired ... to keep those lakes alive, then that should be done ...

This is a very serious issue and it needs a consistent public policy position. The public policy wanders around the coalition tactics group like a lonely white cloud because they are concerned with other things. That is the great problem here: the delivery of a meaningful, consistent and decisive program to deal with the significant issues that are faced in the Murray-Darling Basin is something this government is committed to, but the inconsistency of 12 different positions that have been held by the coalition shows that they simply are not up to the task.

Victorian Bushfires

FRAN BAILEY (3.41 pm)—My question is to the Prime Minister. I refer the Prime Minister to the proposal to establish a joint parliamentary inquiry into the devastating and tragic Victorian bushfires. Prime Minister, what is the reason for rejecting such an inquiry and from whom was advice sought? Given the Victorian royal commission will not present its report during the life of this parliament, will the Prime Minister reconsider his decision in order to preserve strong bipartisan cooperation by this parliament?

Mr RUDD—I thank the member for McEwen for her question. On the question of how we best examine what has happened with the Victorian bushfires most recently and what we can learn from them so as not to repeat those mistakes in the future, the judgment of the government is that the royal commission in Victoria should be allowed to proceed unfettered by an overlapping inquiry from the Commonwealth, whatever form that inquiry would take through the Commonwealth parliament. Secondly, the response of the government is that, given that the framework, or the scope, of the Victorian royal commission will deal with Victoria only, it is the Commonwealth's intention to approach each state and territory government to undertake their own investigation of their own natural disaster protection arrangements, including for bushfires.

We are concerned here to learn properly from the experiences in Victoria. There are five other states and two territories in the country. Therefore, this matter of how we best deal nationally with the scourge of bushfires and other natural disasters and proper preparedness will be dealt with at the upcoming Council of Australian Governments meeting. It is important that the royal commission in Victoria proceed unfettered by a parallel and potentially overlapping inquiry at the Commonwealth level. Secondly, the judgment of the Commonwealth is that we need to make sure that proper investigatory arrangements are undertaken in each state and territory concerning their existing policy settings for dealing with natural disasters generally and bushfires in particular.

The judgment of the government is that that is the right approach. It will be the approach that we discuss with heads of government of the states and territories at the upcoming Council of Australian Governments meeting and, subject to the deliberations at that meeting in terms of any further

action which may be necessary in this House or elsewhere, we will be attentive to the contributions from other participants in that COAG meeting.

Bushfires

Ms KING (3.44 pm)—My question is to the Attorney-General. Will the Attorney-General update the House on what the government is doing to address the risk of bushfire arson across Australia?

Mr McCLELLAND—I thank the member for Ballarat for her question and I congratulate her on the leadership that she has shown—and other members have shown as well—in respect to supporting the communities which have been so devastated by the Victorian fires. As the Prime Minister has indicated, the federal government will fully cooperate with and assist the deliberations of the royal commission in Victoria, which is commencing its public consultations today.

The disaster in Victoria has been described as Australia's worst natural disaster, and certainly it is that in terms of the catastrophic loss of life and the extreme damage to property. But, regrettably, the description does not fit all of the fires because some of those fires, as we are now starting to learn, were deliberately lit. As incomprehensible as it is and as reprehensible as it is, as indicated by the attitude of all members in this House, regrettably it is the case. It has been estimated by the Australian Institute of Criminology that up to 50 per cent of fires in Australia are deliberately lit—at a cost of about \$1.6 billion to the Australian economy. In that context it is necessary to have effective law enforcement measures, but it is also important to have effective prevention and deterrence measures in place. With that in mind I have established a national forum on the reduction of deliberate bushfires in Australia—the first of its kind.

Mr Hockey interjecting—

Mr McCLELLAND—It will be established and hold its first meeting on 24 March.

Mr Hockey interjecting—

Mr McCLELLAND—I would have thought that members were interested in this very important issue to address the crucially important issue of arson—

The SPEAKER—The member for North Sydney has been warned twice. The member for North Sydney will leave the chamber for one hour.

The member for North Sydney then left the chamber.

Mr McCLELLAND—I will inform my friend opposite of those who will be attending on 24 March. I have invited the Australian Institute of Criminology. I have invited the state and territory fire agencies. I have invited the Bushfire Cooperative Research Centre. I have invited the state and territory police agencies and also the Australasian Fire and Emergency Services Authorities Council.

The focus of this expert forum is going to be on: developing a consistent and robust criminal sanctions regime applicable around Australia; reducing access to fuels and materials; preventative education; identifying areas at risk; and promoting community safety initiatives. To answer a question raised earlier, yes, of course the details of this detailed advice and these deliberations will be provided to the Victorian royal commission but, more than that, it will also be referred to the Australia Emergency Management Committee, which will be meeting on the following week on 31 March. Consistent with the federal government's response to a coordinated all-hazards approach to natural disasters, the Rudd government is determined to have the strongest possible approach on prevention, deterrence and penalties.

Fran Bailey—Mr Speaker, I rise on a point of order. I ask the Attorney-General on a point of relevance: does this expert forum not include this parliament?

The SPEAKER—Order! That is not a point of order.

Mr McCLELLAND—In conclusion, I would like to indicate my appreciation to all state and territory agencies that are cooperating in this initiative. In the next two weeks we expect to see real progress in fighting this scourge of arson that so devastates our community.

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

QUESTIONS TO THE SPEAKER

Question Time

Mr PYNE (3.49 pm)—Mr Speaker, I have a question to you. Mr Speaker, in question time today you made a ruling with respect to offensive remarks and their withdrawal. In that ruling you appeared to rely on the rulings made by Speaker Snedden in 1980 and then 1981 regarding a remark about a group of people versus a remark about an individual. I think, with great respect, that the application of Speaker Snedden's ruling was incorrectly made and I direct you to page 502 of *House of Representatives Practice*, in which he actually says:

In the past there has been a ruling that it was not unparliamentary to make an accusation against a group as distinct from an individual. That is not a ruling which I will continue. I think that if an accusation is made against members of the House which, if made against any one of them, would be unparliamentary and offensive, it is in the interests of the comity of this House that it should not be made against all as it could not be made against one.

That being the case, I would ask you to revisit that ruling and perhaps report back to the House, because Speaker Snedden spe-

cifically said that an offensive remark against the whole—

The SPEAKER—The member for Sturt will resume his place. First of all, and this will get the hackles up of some, I have indicated that I am not taking questions on process matters and that the question time to the speaker after questions to the executive is about the administration of the parliament.

Opposition members interjecting—

The SPEAKER—What a predictable response—nobody is ever going to sit there quietly, are they?

Opposition members interjecting—

The SPEAKER—And I am shocked perhaps. On the matters raised by the Manager of Opposition Business, it is absolutely correct that I have done Speaker Snedden a disservice because the ruling that I relied upon—shock, horror!—is that of a Deputy President of the Senate which is referred to in *House of Representatives Practice*. I might say to the present Manager of Opposition Business that this is a part of *House of Representatives Practice* that is well known to an immediate former manager of opposition business because this is something that was used by my predecessor in trying to explain these matters—and that went to the notion of the offensive nature being political or otherwise.

I say to the House, including the member for Sturt: whilst I have not dwelt on all the decisions that I have made, from time to time I do reflect on the decisions that have been made because I am trying to be as consistent as possible. On today's occasion, I may have been motivated more by reflection on the events of earlier this week, which for me were crystal clear, black and white. In applying those thoughts to today's situation, I may not have been as precise as I should have been. The point that I made today was that, no matter what decisions I make in respect of

comments that are made, at the end of the day my experience has been that the court of public opinion judges us all. Whilst I stand by the explanation by Senator Wood on page 501, which has been upheld from time to time by speakers in this place, mistakes can be made, in that it depends on whether, as I said earlier in the week, things should be taken literally or not. That is what there might have been some contention about today. Perhaps we should all look at some of the other matters that are contained on page 501 which do not go directly to the offensive nature of comments but which are about how certain comments can be seen as not keeping the order of the chamber.

Mr Pyne—On behalf of the opposition I thank the Speaker for clarifying today's ruling. We look forward to continuing our excellent relationship with him.

DOCUMENTS

Mr ALBANESE (Grayndler—Leader of the House) (3.54 pm)—A document is tabled in accordance with the list circulated to honourable members earlier today. Full details of the document will be recorded in the *Votes and Proceedings*. On indulgence, Mr Speaker: I acknowledge that in the gallery we have a number of prominent National Rugby League figures, including Cameron Smith, who has captained the Kangaroos. Welcome to the parliament, boys.

The SPEAKER—From time to time the Speaker has to go out of his way to ensure his independence. I say to those from the NRL that, whilst I have some opinion about Melbourne Storm, I am not really an NRL supporter. But I join with all members of the House in welcoming you here today.

PERSONAL EXPLANATIONS

Mr HUNT (Flinders) (3.55 pm)—Mr Speaker, I wish to make a personal explanation.

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

Mr HUNT—Most grievously.

The SPEAKER—Please proceed.

Mr HUNT—During question time today the Minister for the Environment, Heritage and the Arts sought to assert that I and we on this side supported a wholesale buyout of Australian farmers' water rights. That is false. The evidence is clear. The response to the minister's statement was in the same transcript from which he quoted. If he had quoted the sentence which follows on from where he stopped, the answer would have been clear. I simply quote the evidence:

But the buyback was predicated on something critical and that was that there was funding for farmers to basically replumb rural Australia, to help gain the water efficiencies that were necessary, whether it's from irrigation, from pipes, from covering channels.

That money was not provided and we do not support the statement made by the minister. I seek leave to table the transcript.

Leave not granted.

DEPARTMENT OF IMMIGRATION AND CITIZENSHIP

Access and Equity Report for 2006-08

Mr LAURIE FERGUSON (Reid—Parliamentary Secretary for Multicultural Affairs and Settlement Services) (3.56 pm)—I present the Access and Equity report for 2006-08 and ask leave of the House to make a short statement in connection with the report.

Leave granted.

Mr LAURIE FERGUSON—I am pleased to table the Access and Equity report for 2006-08. The Access and Equity strategy is coordinated by the Department of Immigration and Citizenship. It encourages government programs and services to be responsive to the needs of all Australians, irrespec-

tive of place of birth, cultural or linguistic backgrounds or religious beliefs. Access and Equity reports on Australian government agencies' performance in this field have been tabled in both houses since 1993. This report is the first to cover a two-year period, from 1 July 2006 to 30 June 2008. It looks at achievements by all levels of government in assuring universal access to services and contains many examples of innovative policies and programs.

The report also focuses, more than previous reports, on community feedback to provide context and spell out persisting challenges for government in designing, developing and delivering effective, fair and responsive programs and services. The community has drawn attention to the need for service providers to use translating and interpreting services when required, the benefits of cultural awareness training for staff dealing directly with clients and the importance of cultural and language considerations in designing public awareness campaigns. The strategy complements the government's social inclusion agenda, which aims to enable people to make choices about how they live in order to improve their life outcomes and wellbeing. It reflects an understanding that the 'one size fits all' approach does not always reach the most disadvantaged and that people may not benefit from government services when and as they should.

In periods of economic stress, it is important for Australians to recognise their responsibilities in being fair, respectful and inclusive of others, regardless of background, needs or circumstances. In this respect, government programs and services have a specific responsibility. They need to be effective in attaining the outcomes they seek for all Australians and they also need to provide leadership for the broader community. When times are tough, there is the temptation for people to look for someone to blame. People

can turn on each other and exacerbate social divisions. As a community we need to resist any undermining of our social cohesion through unacceptable views gaining prominence, through simple analyses dominating and through scapegoating becoming the norm. Racial intolerance can fester, adding to the marginalisation of many already on the lowest rungs of the socioeconomic ladder. Australia can rightfully be proud of its social resilience and relative immunity to racism, extremist politics and imported conflict. However, incidents such as the Cronulla riots and their aftermath, the violence at the Australian Tennis Open and those in Manly on Australia Day this year warn us against complacency.

Children are particularly vulnerable to the unhealthy social climate characterised by discrimination, racism and unfairness. They can lose the opportunities they need to develop and, combined with difficult financial circumstances for their families, this can entrench disadvantage and a sense of alienation which can taint their whole lives. Those already facing economic, educational or health disadvantages can have their ability to recover and gain self-reliance undermined through another layer of a social exclusion. We must all work to avoid any damage to the cohesion of our society which could be long-lasting, and would compromise our ability as a nation to recover from the economic downturn we face. Remedies applied later will also be more difficult and expensive to implement. Appropriate social policy initiatives represent a prudent investment in the country's future.

The strategy is one of a range of cultural diversity programs which reinforce social cohesion. It builds on Australia's strengths through effective government programs, it protects the most vulnerable, it helps to position our society to withstand some of the social distress that inevitably accompanies an

economic downturn and it will help us to emerge at its end as quickly and as strongly as possible. Government agencies have a vital role in taking our nation forward, meeting the challenges we face and making the most of the opportunities—never more so than when times are difficult. They must give effect to government policies, share leadership responsibilities and deliver programs and services for all members of our society.

The Access and Equity report for 2006-08 highlights some of the achievements of the government agencies in this respect and areas where further improvements are required. I look forward to further contributions by government agencies working alongside the community and business sectors and all Australians to strengthen Australia as an inclusive and cohesive multicultural society.

Dr STONE (Murray) (4.01 pm)—by leave—The first report on access and equity was delivered to parliament in April 1986, and so we have seen more than 20 years of governments from both sides of the House wanting to make sure that public services for our new settlers have been as comprehensive and as accessible as possible. In fact, as a result of generations of service deliverers and deep community concern, I believe Australia is rightly regarded as one of the pre-eminent nations in being able to maintain a diversity-rich culture where our new settlers are helped to have a seamless, smooth and as-fast-as-possible transition into a new life in our Australian society.

I commend the fact that this report continues in 2006-08—crossing over as it does both the previous coalition government's work and that of this new government—as an attempt to make sure that new areas of new settler concern are dealt with. As our population ages, there has been a particular need identified in this report for aged care

for many Australians whose first language is not English. This will need to take into account cultural, linguistic and religious diversity as we try to supply aged-care services.

In some cultures, family-caring responsibilities limit the opportunity for women to learn English and to participate fully in the workforce and the wider community. In the past, back in the fifties and sixties, men and women did not need to speak English to be able to engage in the workforce. They could spend an entire lifetime in a workplace where their home language, or perhaps the language of another new settler group, was predominant. They were not actively discriminated against in that workplace or disadvantaged in looking for work. It is very different in the 21st century, and so we are most concerned that women as well as men have access to effective English language learning as soon as they arrive in Australia. In that way they can participate not only in the economy but in the full range of opportunities our society offers in cultural participation—music, dance, recreation and sport—whether they live in a metropolitan area, close to a migrant resource centre, or in a remote rural or regional part of Australia.

Our humanitarian clients have an additional number of factors impacting on whether or not they have access to education. Often in their home country poverty, poor nutrition and trauma have meant that they have had limited education. Clearly, when they come to Australia, those services need to be very comprehensive and carefully targeted. One of the areas I am looking forward to seeing more government service provision in is ensuring that our new humanitarian and refugee settlers are located in rural and regional areas in the first instance, not that they migrate as a secondary movement after initially being put into places in capital cities. This follows from a trial in the Shepparton-Goulburn Valley area, where the Congolese

were settled straight off the planes into a rural and regional community. That particular pilot has been hugely successful, and I call on this government to study the swiftness and comprehensiveness of the settlement of that particular African community into the broader Goulburn Valley society, and to see that this is a very good way for humanitarian refugee groups whose previous life experience has been not in cities but in rural and regional parts of their home country.

I am very pleased to offer bipartisan support for the Access and Equity report for 2006-08 and I commend it as important reading. I also look forward to different government services reflecting different times and an ongoing, comprehensive and properly resourced set of services to make sure that our multicultural and diverse society continues.

MINISTERIAL STATEMENTS

FIFA World Cup Bid

Ms KATE ELLIS (Adelaide—Minister for Youth and Minister for Sport) (4.06 pm)—I would like to take this opportunity to update the House on the progress of Australia's bid to host the largest single sporting event on the planet—the FIFA World Cup.

The Prime Minister indicated our support for an Australian World Cup bid in February of last year in an announcement with the Chairman of the FFA, Frank Lowy.

At the COAG meeting of March 2008 all Australian states and territories committed to work cooperatively with Football Federation Australia in support of its bid to host the 2018 World Cup.

The House may recall that in December 2008 I was pleased to announce the government was providing \$45.6 million to back Australia's bid for the 2018 FIFA World Cup.

Whilst we so often in this place focus on that which divides us, I would like to ac-

knowledge the bipartisan support for this funding and for the bid from those opposite and state that it is important that we work together on this issue when we know that bipartisan support will play an important role in Australia's chances of success.

Since the announcement of our support for Australia's 2018 World Cup bid, FIFA has announced that it will hold a simultaneous bid process for the 2018 and 2022 World Cups. In February, Australia subsequently submitted our expression of interest to bid for both events. We are still focused on 2018, but of course we welcome the opportunity to bid for the two options. I am pleased to advise the House that in Zurich this week the Football Federation Australia (FFA) formally submitted Australia's formal bid registration to FIFA for both the 2018 and 2022 FIFA World Cups.

In addition to Australia, this week saw confirmation of 11 bids from 13 countries across three confederations:

- Asia
- Indonesia
- Japan
- Korea Republic
- Qatar
- and of course Australia
- Europe
- Belgium and the Netherlands (joint bid)
- England
- Russia
- Spain and Portugal (joint bid)
- North, Central America and Caribbean
- USA
- Mexico

We take our counterparts seriously, but we know that, when it comes to hosting major international events, no one does it better

than Australia. Olympics, World Cups, Commonwealth Games—we have stunned the world in the past and we know we can do it again. Australia can deliver a World Cup of which the country, the region and the world can be proud. We can deliver a world-class event that can run smoothly in quality facilities and with Australia's proven record of welcoming visitors and supporting games. As a member of the Asian Confederation, Australia is well placed to provide an event that the region can support.

Growing the game in the region

As a member of the Asia region, Australia is well positioned as a candidate. Asia is a major growth area for football and is also the region that had the largest share of the television audience for the 2006 Germany World Cup. Our zone contributed the highest share of the overall cumulative television audience, with 8.28 billion in-home viewers or 34.2 per cent of the global total. In partnership with the FFA, the Australian government is working hard to build a world-class bid.

Just last week the Prime Minister wrote to all premiers and chief ministers seeking COAG's formal confirmation to work cooperatively with the FFA in support of its bid, to send a further message to the world that Australian governments at all levels are united in our approach to hosting the FIFA World Cup. I will now be conducting ongoing cooperation and negotiations with the states and territories to ensure we develop the best possible bid. We will need serious consideration of infrastructure and needs going forward as well as continued cooperation at all levels. The government will continue to work with all to develop the best possible planning and facilities for the World Cup.

What Next

When it comes to the next stages of the bid process, let me be clear about Australia's intentions: we are in this to win it. As FFA chairman Frank Lowy has said, 'Football is a world game and we are serious about our efforts to bring the event to Australia.' The FFA has established a bid team, to be chaired by FFA chairman Frank Lowy and led by FFA CEO Ben Buckley. The next time frame in the bidding process will come in April, when FIFA will distribute the bidding agreement, the hosting agreement and other bid and hosting documents, which will further clarify the requirements that will be expected of a host for the FIFA World Cup. Bidding parties then have until December this year to submit the signed bidding agreement and until May 2010 to submit the bid book. The decision on who will host the 2018 and 2022 FIFA World Cups will be made by the FIFA executive in December 2010.

Benefits to Australia

Hosting the FIFA World Cup will bring significant economic benefits to Australia, including boosts to tourism, infrastructure and jobs around the country. And a successful bid would be an important catalyst for investment in our infrastructure—stadiums, roads, rail, airports. Outcomes from the 2006 FIFA World Cup in Germany speak for themselves:

- two million international visitors;
- 85,000 people employed in the hosting of the games;
- more than 3.3 million spectators; and
- a cumulative television audience of 26 billion, broadcast in 214 countries.

Hosting the FIFA World Cup would also have long-term social and economic benefits. Australians are supporting our bid en masse. Just one small example is the Facebook group supporting Australia's bid, which al-

ready has 75,000 members across Australia. I encourage all Australians to get behind the bid and bring to our shores the biggest single sporting event on earth. I pledge to continue to work to ensure that the government adequately supports the Football Federation of Australia to have every opportunity for success and I pledge to keep the House informed of progress in this exciting venture.

I ask leave of the House to move a motion to enable the member for Boothby to speak for 6½ minutes.

Leave granted.

Ms KATE ELLIS—I move:

That so much of standing and sessional orders be suspended as would prevent the member for Boothby speaking in reply to the ministerial statement for a period not exceeding 6½ minutes.

Question agreed to.

Dr SOUTHCOTT (Boothby) (4.13 pm)—On behalf of the opposition I would like to indicate that the opposition support Football Federation Australia's bid for Australia to host the 2018 or 2022 FIFA World Cup and will provide whatever support and assistance we can to help Australia win the right to host the cup. We supported the government's decision in February last year to back a bid and we supported the government's decision to provide \$45.6 million to FFA in December last year.

Football in Australia has come a long way in recent years and has continuously reached new heights since a comprehensive review by David Crawford in 2002-03 and further reforms led by the Australian Sports Commission and Rod Kemp, the former Minister for the Arts and Sport, to put soccer on a more professional footing in Australia. When David Crawford handed down his report in 2003, he said that some might find the recommendations confronting. The work Rod Kemp put into reforming football and implementing the recommendations from

David Crawford's review has gone a long way towards establishing the building blocks for a vibrant, confident football code in Australia. The Socceroos qualifying for the 2006 World Cup for the first time since 1974 was a visible sign of the improvement in the standing of the sport in Australia. The growing success of the A-League, Adelaide United's appearance in the Asian Cup final and growing participation at the grassroots level are further indications of the health of football in Australia.

Australia's formal submission this week to FIFA to host the 2018 or 2022 FIFA World Cup is another milestone in the continued rise of football in Australia. One of the examples to demonstrate the benefit of hosting is the United States' hosting of the FIFA World Cup in 1994. That hosting led to an enormous surge in interest in football, or soccer, in the United States and an enormous increase in the numbers of young people, school students and college students playing soccer, and it has helped to spread the game of world football into a country where previously it had not taken much of a hold. Also, at the 1996 Olympic Games, the United States women's soccer team really captured that nation's attention and led to a big increase in young women and women at college taking up soccer.

These achievements are remarkable when we consider where soccer has come from. It is less than six years ago that Soccer Australia was declared broke. For FFA now to be in a position to place a bid to host the World Cup is a tremendous achievement and an indication of how successful these reforms have been. Let us hope that the recommendations David Crawford will hand down to this government on Australian sport, which we are all eagerly anticipating, will, if implemented, have the same positive effect on Australian sport. A successful bid for Australia to host the 2018 FIFA World Cup would

bring tremendous tourism benefits. The FIFA World Cup would be the biggest global marketing campaign for Australia since the 2000 Olympics, which has been recognised as the most effective marketing campaign and exposure this country has ever experienced. A global event like the FIFA World Cup would bring unprecedented tourism benefits to Australia and, with tourism bodies fully committed to supporting the bid, there is a united approach to securing the competition in 2018. The FIFA World Cup would be equal in world viewing to the Olympic opening and closing ceremonies. Based on the previous World Cup in Germany, a World Cup here could benefit Australia to the tune of nearly \$6 billion through more jobs, visitors and infrastructure spending.

As the minister has said, along with Australia's bid, FIFA have received 11 bids from 13 countries across three confederations. We are competing against a strong field, but this has not deterred us in the past. We should remember that it took three bids for Australia to win the rights to host the Olympic Games in 2000. Our past success in hosting major events such as the 2000 Sydney Olympic Games, the 2003 Rugby World Cup and the 2006 Melbourne Commonwealth Games demonstrates our ability to successfully host a FIFA World Cup. In addition, the growing participation in football in Australia and the fact that the Asian region is a major growth area places us in a strong position to host the World Cup. Australian clubs now compete in the Asian Football Confederation Champions League. Australia now competes to be one of four teams from the Asian Football Confederation to go to the World Cup, giving us a much better pathway to the World Cup than in the past. I have tremendous confidence in FFA chairman Frank Lowy and FFA chief executive officer Ben Buckley to lead the charge for this bid, and I congratulate them

on their work so far. In 2003 former sports minister Rod Kemp declared:

Soccer is the sleeping giant of Australian sport ... A successful bid for the World Cup in 2018 or 2022 would no doubt underpin this statement.

MATTERS OF PUBLIC IMPORTANCE

Regional Australia

The DEPUTY SPEAKER (Ms AE Burke)—Mr Speaker has received a letter from the honourable member for Lyne proposing that a definite matter of public importance be submitted to the House for discussion, namely:

The urgent need to shape regional Australia's future.

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 OAKESHOTT (Lyne) (4.19 pm)—I start by thanking both sides of the House (a) for allowing the Independents to have a matter of public importance before the House this afternoon and (b) for having more than the required eight members stay around and support the matter before the House. So thank you to both sides for that. We have heard a lot in the short time I have been in this chamber about global issues confronting Australia, such as a \$152 trillion collapse in financial markets. We have heard a lot about national responses to that global collapse and there has been at least \$42 billion in several responses from government to those global pressures. I contend this afternoon that, whilst we certainly have some meaty global issues to discuss as problems confronting this chamber, the answers lie in regional responses and policy settings that strongly

support regional answers to the future of Australia.

I represent the mid-North Coast of New South Wales, but I am sure many of the topics that I will be discussing this afternoon are felt in similar regions throughout Australia. I hope the bipartisan spirit that saw members on both sides of this House support this MPI remains at the end of this discussion. I start by referring to a report that was done in 2000 called *Time running out: shaping regional Australia's future*. It was by the House of Representatives Standing Committee on Primary Industries and Regional Services. It was a bipartisan report that had 92 recommendations in it, all good, solid bipartisan—I may say tripartisan—work done by members of this chamber. There were 92 recommendations that, in many cases, have remained outstanding and undelivered despite the response from government in 2001.

To start, I want to refer to the seven founding principles in the government response, which might make some of the regional members in this chamber have a chuckle if it were not so serious. The seven principles in the government response to this report were that: governments will seek to minimise duplication and overlap; governments will encourage communities to set their own priorities; governments will cooperate with each other; governments will cooperate with the private sector; governments will seek to use existing systems; governments will seek to build on the competitive and comparative advantage of regions; and governments will consult with each other wherever possible when new programs and services are being developed. If only those seven principles had been adhered to by governments within Australia over the nine years since this report was done!

Representing a regional area, I have also noticed some cultural issues for policymak-

ers and planners to reflect on when thinking about the regions. There is a tendency to look at the regions as a tack-on to policy development. There is a tendency to look at the regions as places with a handout mentality, asking for more than their share, and there is a positioning by government in policy to almost be patronising to the regions, treating them as some poor rural cousin in regard to policy development and implementation. I also contend this afternoon that none of those things are true. For any policymakers who think that way, I ask you to change that view. Most of us, and certainly I include myself and my family in this, choose to live where we live, to do business and to retire there because of the wonderful benefits there are in being in a regional location. There are problems confronting Australia in so many ways as a large landmass with one of the most urbanised populations in the world. In many cases the answer to just about every piece of legislation that comes through this place would be to put some more emphasis on encouraging regional development and regional growth in Australia.

What do I and what do we want from government and policy planners? It is not more than our fair share; it is just our fair share. It is engagement with government and engagement with the policy planning and policy setting done at local, state and federal level. It is simply nothing more and nothing less than fairness. In so many examples, and I will touch on some, it cannot be argued that government is being fair to someone living in a regional area compared to someone living in an urban area. So there is an argument to be made this afternoon for the level playing field that all of us talk about and yet in so many cases is not delivered. It is about the equity of services to fill the gap and examples of resource redistribution formulas in all the various departments of government not being adhered to. Not even our fair slice of

the pie is being delivered to the regions. That is to the detriment of not only the regions but government as well.

This committee report is a good starting place. I reflect that the late Peter Andren was a good member on this committee and referred to this actual report on many occasions. I also note that there are existing members of this parliament who participated in this process, who titled it *Time running out*, and nine years later we still have many outstanding recommendations from a very good report waiting to be delivered by government. Recommendation No. 1 is decentralisation of a couple of government departments. Environment Australia is one of them. Decentralisation seems to have become a dirty word to government. Only this morning I walked up from where I am staying past the Department of Broadband, Communications and the Digital Economy, nicely located a short distance down the road. Wouldn't it be great, if we are serious in this country about digital communications, to place the department of broadband and communications in a regional location? If the policy settings are right, there is absolutely no excuse for that department to feel any impediment by being based in a regional location. And if the policy settings are wrong, wouldn't it be some great tough medicine for a few people to feel what it is like to live in a regional area in regard to accessing the internet and communications services that so many other people take for granted in their everyday life? With a national broadband rollout about to happen, I would ask the government to consider having those that are involved with that rollout located in a regional area. What a great message for Australia that would be.

This report touched on a whole range of other areas and I ask government to think about the energy issues, the health issues and the job issues. I will talk about specific ex-

amples. The energy issue has frustrated me and I still do not understand why a national feed-in tariff has been pretty well ruled out by this government. We now have something called NEMCCO, a national electricity market. It is in operation. Why is it seen as a state based issue to talk about feed-in tariffs and therefore why do we have so many discrepancies between the various states in the development of their gross versus net and all the variations in or out in regard to these tariff systems? It is going to create problems. This is a great area for government to engage with communities in regional areas and encourage people to participate in one of the great talking points of our time, the climate change debate. I will mention a Singleton based company, Ausra, a solar thermal company, that was sent to California in the US to commercialise. The governor thought it was a good idea and has rolled the Ausra program right throughout the Californian precinct. We are seeing California now take a lead in regard to renewables, efficiency gains in the home and engaging people in the climate change debate. How sad it is that a Singleton based company could not get off the ground in Australia and had to go overseas, and now we are trying to get them to come home to be involved in some of the answers to the questions that we are debating.

On the question of the national feed-in tariff: please, government, consider it once again. It is a great way to engage people. It is an efficiency gain that is proven in other jurisdictions. Germany is a really good example. It is sitting there waiting to happen. No, there are not vested interests lobbying for it, but it is a great engagement for people, including people in regional areas.

I have already mentioned the Health and Hospital Fund this afternoon. Many in regional areas—particularly in growth areas like the North Coast of New South Wales—whose populations want to access health and

hospital services are frustrated by the lack of investment from government. There is a mentality of sandstone hospital thinking in many locations within urban areas. New South Wales and Sydney spring to mind for me. So many of these sandstone hospitals are right next to each other. That is the region's money. A hard decision has to be made but it needs to be made, because regions are not getting, per head of population, their fair slice of the pie. It is a simple argument of fairness that I put before the House this afternoon.

The question of jobs is certainly one that has, quite rightly, been raising its head a lot. There are some practical and cost-effective steps government can take that will assist in protecting and enhancing local economies through the next 12 years and in the long term. I refer to the Department of Defence and the Defence Materiel Organisation, regarding issues of procurement. A lot of small business work in regional areas hangs off that DMO process. We have a business that is absolutely sweating on the outcomes of the Air Warfare Destroyer Program. If we get even a small slice of that, it will be a huge benefit for a regional area. Army procurement work is done by various small businesses on the mid-North Coast. In this place, a couple of hundred thousand dollars here and there might sound like absolutely nothing but, for our small business community and our local businesses, that is a lifeline for staying in business and for growing business.

But the message I want to leave with the House this afternoon—to drive the message home—is about something very close to everyone's heart. In fact, they should be in everyone's pockets. Mine are here in my pocket near my heart. It is about the company that provides the locks and keys for everyone's room in Parliament House—a company called API Security. They tell me that a sad indictment of the times is that their locks and

safes arm of the business, through their DMO tendering, is now under attack from overseas imports. Not only is it the case that these do not meet Australian standards but there is also no pre-purchasing audit done by the Department of Defence as to the statements made about the quality of the product.

The usual argument in this place is that we should have open competition and that protectionism is bad because you get a lesser quality. This is a reverse example, where the quality product that is being delivered by a regional area is under attack from a cheap import. In 1998 the Department of Defence worked with Standards Australia to develop a standard for locks and safes in Australia. We now have a standard, developed by one arm of government. The Department of Defence does not use that standard; it uses a US standard and does not even follow that standard. Without being too 'proppish', I could turn up with a cardboard box, put a tender to the Department of Defence and argue the case that it is meeting the US standard—

Government members interjecting—

Mr Anthony Smith—That's allowed now; you can do that now.

Mr OAKESHOTT—I am glad that this has everyone's attention. I could argue the case that it meets the US standard, despite what the arm of government, Standards Australia, worked on in 1998 with the Department of Defence—which is totally ignored. We are now seeing the Department of Defence, through DMO, taking these up at the expense of jobs in regional areas. I have 55 jobs on the line in Taree right now because of an overseas company whose locks and safes fall outside Standards Australia accreditation. Here is a good, practical example of where a government department should ensure that part of the tendering process meets Standards Australia guidelines. It is government talking to government, rather

than ignoring government. It is a really good example of how government can help the region. (*Time expired*)

Mr ALBANESE (Grayndler—Minister for Infrastructure, Transport, Regional Development and Local Government) (4.34 pm)—I am very pleased to make a contribution to this debate on the matter of public importance that was raised by my parliamentary colleague the member for Lyne. The member for Lyne has, in his short time in this place, been a very strong advocate for the mid-North Coast region—as a minister, can I say perhaps a bit too strong from time to time in terms of his never-ending pursuit to address the needs of his community. Whilst we will not always agree, there is no question about his genuineness or that of the member for New England and the member for Kennedy in being advocates for their local communities.

The MPI debate gives me an opportunity to outline some of the measures which the government is pursuing in the area of regional development. If you go to the electorate of Lyne today, you will literally see hundreds of workers—at its peak there will be more than 1,000 workers—on the Pacific Highway, being employed and contributing to an increase in the nation's productivity, contributing to better safety for road users on the Pacific Highway and contributing to an improvement in the amenity, both for local residents of the electorate of Lyne but particularly for residents of New South Wales and the east coast who travel along the Pacific Highway, whether they be commuters or industry carrying freight. The investment in the upgrade of the Pacific Highway is part of the \$8.4 billion that the Rudd government is contributing to regional highways and country roads over a six-year period—over 50 per cent more than the previous government spent in the same time frame.

It is not limited to the Pacific Highway. We are contributing some \$2.2 billion for the Bruce Highway. Record funding has also enabled work to be accelerated by up to 12 months on 46 key projects around the nation. In regional Australia, these fast-track projects include the Townsville Port Access Road, the Ballina and Alstonville bypasses, the new Perth-Bunbury Highway, the Hume Highway and stage 4 of the Geelong Ring Road. Just this week, we are rolling out announcements about our record funding to local government for local roads—some \$1.75 billion over five years. We are eliminating hundreds of dangerous black spots on regional and local roads, including providing more than \$1 million to remove four black spots in the member for Lyne's electorate. Today I announced more than \$800,000 to fix black spots in the member for Calare's electorate and more than half a million dollars to fix black spots in the member for Cowper's electorate.

But it is not just roads. We are also seeing the largest ever investment in rail by the Commonwealth government—some \$3.2 billion. That includes a \$1.2 billion injection announced in December. All of this investment is in regional Australia, and this funding is delivering results already. It is not just the direct funding, in terms of the construction of roads and rail; it is the multiplier effect that occurs as a result of this investment—for example, the concrete railway sleepers that are now being built in Austrak's Geelong and Wagga Wagga factories. The Geelong factory employs 50 locals; Wagga Wagga, 65 locals. New dual-gauge concrete sleepers will continue rolling out of Rocla's Grafton sleeper factory. This is a factory that employs around 60 locals. Sleepers will also be rolling out of Rocla's factory in Mittagong, which employs 60 locals. This is all as a result of the government's record investment in rail.

We have also revitalised the attitude towards spending in regional Australia when it comes to community infrastructure. We know about the discredited Regional Partnerships scheme, which funded—to the tune of more than a million dollars—the ethanol plant at Gunnedah that simply did not exist. It funded cheese factories that had closed down. It funded railways in Western Australia that had burnt down. We know that Regional Partnerships was a completely discredited scheme. It was a scheme where funding was based upon not a road map but a political map. Those opposite, who are the alternative government—they might not act like it, but they are the alternative government of the nation—have not changed.

The National Party's Senator Barnaby Joyce was recently flirting with the idea of running for the lower house. He raised a number of electorates that he might run for and one of them was the electorate of the member for New England. He told the *Northern Daily Leader* on 20 January of this year:

Tony has the capacity to get himself into a position, to make (a decision), to pick a side.

If he's not part of any team then he gets no deliveries.

That was the attitude of Senator Joyce: if you are not part of the National Party, you do not get any funding for your electorate. This government does not have that attitude. This government has the attitude that funding is based upon need and that people, regardless of who their representative is or where they live in Australia, deserve government support. That is why, as part of the community infrastructure program, we have provided funding of \$3.9 million in the electorate of New England, including \$1.295 million to the Tamworth Regional Council for practical programs that will create jobs, boost local economies and improve the amenities in

Tamworth, in Glen Innes, in Liverpool Plains, in Guyra and in Walcha.

Similarly, we have provided funding of \$1.1 million in the electorate of Lyne, providing good projects for the Port Macquarie-Hastings Council: improving disability access at North Haven surf club, improving disability access at Lake Cathie reserve, upgrading Comboyne tennis courts, upgrading the Rocks Ferry Reserve at Wauchope, constructing a coastal stairway at Port Macquarie, upgrading utilities in Timbertown at Wauchope and providing \$311,000 to complete the construction of the walkway and cycleway at North Haven. All of these projects are good projects that create local jobs, stimulate the local economy and can be rolled out straightaway. More importantly, these are projects that were not chosen on a political basis by people in a minister's office in Canberra; these are projects that were put forward by elected local representatives through local governments around the nation. That includes not one or two but every one of the 565 local councils around Australia, contributing some 3,600 community infrastructure projects around the nation, which is a major benefit.

Today I have announced \$10.4 million for 155 local infrastructure projects in regional Victorian communities, including Warrnambool, Mildura, Echuca, Wangaratta, Portland, Port Fairy, Ararat, Benalla and Mansfield—all in coalition electorates: Wannon, Mallee, Indi, McMillan and Murray. I have also announced some \$3.8 million for Hunter communities today. The fact is that this is a government that is investing record funds in regional communities—as you would be aware, Mr Deputy Speaker Scott. Since Federation, there has never been a program that has been as transparent and that has delivered across the board for local government as this program has. This is a good program.

What is extraordinary is that the opposition, which voted against this community infrastructure program—whether it be the member for Gippsland, the member for Maranoa, the member for La Trobe, the member for Paterson, the member for Canning, the member for Tangney, the member for Bowman, the member for Bradfield or the member for Wannon, and others—all write asking for support for funding for particular projects in their electorates, under a program that they voted against and do not support. It is absolutely extraordinary. The hypocrisy is absolutely incredible. People would remember my reference to the member for Gippsland, who attacked the package, calling it 'a very low-quality spend of taxpayers' money' on the doors of this parliament, but in his electorate he had a very different approach. Regardless of that, the good people of Gippsland should not suffer because of a bad representative, and they will not under this government. We have delivered. This week we announced some \$6.2 million for Gippsland community infrastructure. There is some \$700,000 to upgrade the Lucknow Indoor Sports Centre, \$500,000 for the Newborough Leisure Centre upgrade and \$158,000 to refurbish the Warragul Drill Hall. All of these projects are good projects that, if it were left to the local members from the Liberal Party and the National Party, would not be happening—much to their shame.

This week we also announced some \$9.5 million for 164 ready-to-go local infrastructure projects across Western Australia's regions, including Hopetoun, Kalgoorlie, Broome, Fitzroy Crossing and Marble Bar—all good projects. It is within that framework as well that we have established Regional Development Australia. The parliamentary secretary has ensured, after proper consultation, that we actually do consult local communities on economic development and on a framework that is much more than just sort-

ing out grants, such as the way that led to the discredited Regional Partnerships program. We need to do much better when it comes to genuinely involving local communities in regional Australia.

I think the best example of how out of touch those opposite are is when the Leader of the Opposition and the Leader of the National Party were invited to attend the Australian Council of Local Government. More than 400 mayors travelled from around Australia to meet with the cabinet, the Prime Minister, the Treasurer and other senior ministers. It was an extraordinary occasion. It was very constructive. Regardless of people's political origins or how they voted in federal or state elections, they came to that meeting with a spirit of goodwill and a spirit of partnership. What we saw there was the Commonwealth treating people with respect. People got access to senior ministers to put their case about their local communities, but the opposition at a senior level could not be bothered fronting up. The fact is that this government will continue to represent all Australians, regardless of where they live. We will continue to be the true representative of regional Australia.

Mr WINDSOR (New England) (4.48 pm)—Before going into the body of my address, I would like to congratulate and thank the Minister for Infrastructure, Transport, Regional Development and Local Government for the packages that he has announced today and, further than that, for the way in which he and the parliamentary secretary are addressing regional grants and involving local government in those grants. Rather than pursuing the road that was pursued by the last government, which obviously politicised and corrupted some of the processes in terms of financial management and accountability, I do think people respect the way in which you, Minister Albanese, and the government are approaching these issues. I would en-

courage you to maintain that thrust, because that is what impresses people in real regional areas. They are not impressed by the politicisation of a process. They would rather have a fair go, a fair chance and a fair summation of their particular project. So I thank you on behalf of those people.

I thank the member Lyne for the topic 'time running out'. I agree with everything the member for Lyne said, but the approach that I would like to take is in relation to climate change and what impact climate change is likely to have on country areas and on the economic sustainability of those areas. I think there has been a lot of debate about emissions trading or a carbon tax—depending on which side of the parliament you are on—but there has been too much concentration, in my view, on the market being used to solve an environmental problem. I was a little bit disgusted in the current government's arrangements when they put in place a very low target of five per cent in terms of carbon reduction, or methane and nitrous oxide, and then suggested they were going to apply that through a market mechanism such as an emissions trading scheme. It is quite obvious to me and to anybody that that five per cent level could be reached quite easily without embracing the market mechanism that the government is talking about. The opposition is suggesting a carbon tax, and both of those things will work to some extent, but they should not be the only mechanisms that go to the heart of this issue.

The electorate of New England—and I think this will give you a sort of microscopic look at the potential impacts of climate change on a regional area—is in the Murray-Darling Basin. New England has all but one of the major storages in the Darling system, which forms part of the Murray-Darling Basin. Not only are those storages important to New England's communities and to the irrigators downstream; they are very important

in the regulation of streams when it comes to the flows within the Murray-Darling system. Some people deny that climate change is happening. It is one of those things that will not be known until we are all dead. People will look back and say, 'Why didn't we do something about it?' or, 'We did something about it and the environment is much better for what we did.' I do not think there is a downside to this in the long term, but there could be some short-term adjustments.

The electorate of New England and its position in the Murray-Darling system are very important. I have raised in the House before a number of the issues in relation to mining and groundwater and the relationship between groundwater systems and surface water in the Murray-Darling system, and recently we had before the parliament that critical piece of legislation embracing four states. If the climate scientists are right, and we do nothing, as some suggest, the Murray-Darling system could suffer a loss of up to 30 per cent of its run-off. If we add to that some of the more carbon conscious and productive forms of farming and grazing, such as no-till farming systems, groundcover pasture strategies et cetera, and then overlay it with some encouragement to revegetate because of salinity issues or to create carbon sinks or just because people like to grow trees, all those things will reduce the run-off into the system. So additional changes in land use could compound even that worst possible option of a reduction in run-off of 30 per cent on 1990 levels, when our farming systems were quite different. What is that going to mean for the communities who rely on irrigation water? What is it going to mean for the communities who rely on that run-off for drinking water? What is it going to mean for the Murray-Darling system itself, the major provider of food in this nation, if we do nothing?

There are a number of suggestions as to what we should do. Do we wait until the Americans, the Chinese and a few others decide to do something and then follow them? Do we embrace some of the newer technologies and initiate some leadership? The debate has been: 'If it does not fit within a market mechanism, don't go near it.' That is wrong. Malcolm Turnbull—whether it is just for the politics of it or because he really believes in it—has started to hint at some of the other things that could be used to alleviate the concerns. We have had Science Meets Parliament this week. I had a scientist from Western Australia in my office this morning from North East Farming Futures who has been working on the development of new plants that could be used for alternative pasture techniques. There has been a 30 per cent reduction in methane from the animals that have been grazing on those plants, due to the tannins in the plants.

Rather than the farm sector, the NFF and the National Party being frightened and encouraging fear of climate change and possible solutions, we should be out there encouraging research. I was very pleased to see that the Minister for Agriculture, Fisheries and Forestry recently announced \$20 million to look at, amongst other things, soil carbon, nitrous oxide and methane. They are the sorts of issues that we need to research, because if they go unresearched and we do nothing they will have a much greater impact on jobs and the sustainability of our inland communities than do any of the other things we have been talking about. They are long-term issues that could prevent long-term damage, not short-term issues that prevent short-term political gain or loss.

Soil carbon, vegetation, recycling—all of these issues need to be addressed. If we are going to go into systems where there will be widespread land-use changes, we must know what impact they are going to have on run-

off in the Murray-Darling system and other parts of Australia. And we do not know. We have had the NFF and some of the climate people from the department of agriculture at meetings recently where we have not modelled some of the farming systems that we might be trying to encourage through drought policy. And we should; these are very important issues that we need to address.

The government has made a good start on some of these things. It has been rattled by the fearmongers on the climate change issue and I think it is probably hoping that the bill will be defeated in the Senate so that someone else can be blamed. I do not think I will be supporting the bill either, because a five per cent target and the way it is structured would be setting up a carbon economy for very little gain. I think the target is far too low. Minister Wong has not embraced enough of the other options that could shrink the domestic problem and could operate—and should operate, even if there were no carbon emissions problem—quite effectively within the domestic economy even without a global economy doing anything. It could only be positive for agriculture, food production, the environment and other issues.

The other very important issue that creates enormous opportunities in country Australia is renewable energy. Until recently, nothing had been done with solar, wind, water or geothermal power or with renewable biofuels such as second-stage cellulosic ethanol and the impact that can have on land management, the carbon issue, the water issue and the soil erosion issue. All of these things will bring to us a sustainable environment where country Australia will not be running out of time. They will be an important part of an important solution to an important problem. *(Time expired)*

Mr GRAY (Brand—Parliamentary Secretary for Regional Development and Northern Australia) (4.59 pm)—I thank the member for New England for his contribution—as always, it is thoughtful and appropriate. This MPI was initiated by the member for Lyne and it requests that we debate the urgent need to shape regional Australia's future. It is a good subject. It is a thoughtful subject. It is one to which our diligent consideration is due. I have often thought about this subject at great length, not just because of my portfolio interest in regional Australia. Over many years of long drives across Australia from Canberra to Perth to be with my family, I spent a lot of time looking at regional Australia and talking to people in regional towns. It came to me very early on that the spark of energy and the life that is created in good regional centres comes down so often to a grumpy sense of self-reliance that healthy communities have. Take a township like Merredin, with its pride in its public gardens and its swimming pools, and its pride in being not just a tidy town but a safe town, a town always working on the next creative and thoughtful idea to get its business precinct working even better and a town where the local swimming pool always looks clean and tidy and is full of kids. In a town in a wheat belt that has frequently done it tough—and in those days Merredin did it particularly tough—you can tell that what kept that town going was not its natural wealth or the bounty from the hills but the spirit of the people. I came to the conclusion that communities with a sense of self-reliance—on many occasions, a grumpy sense of self-reliance—are those communities that (a) cope best and (b) build the best environments for their families.

This debate goes to the core of a number of significant issues. In doing that, it points out the differences in views of the world demonstrated in the commentary of the

member for Lyne and the member for New England and the views of the Australian government. Those differences are legitimate but they are differences on a spectrum. They are not differences that go to the very core of personal behaviour or political behaviour. It is a sad statement that in the better part of the last 15 years, regional development as shaped by the former federal government was in fact pork-barrelling. It is a sad commentary on communities and the spirit of communities that in fact the three-volume report produced by the Australian National Audit Office that was so deeply critical of the former government's programs is what gets the publicity. We could equally have published, I have no doubt, a 30-volume report stating all the good things done by regional communities. But the truth of it is that when we are dealing with public money, it is the incompetence and the malevolence that gets the public eye and not the things that made communities strong. The malevolence was there and obvious for the Audit Office to see.

In 1996, when the former government was elected, I am sure that Prime Minister Howard felt confident that he would be the Prime Minister for a while—for at least two, three, four or five terms. He saw then, 13 years ago, no need for a government department to look after regional Australia. So what did he do? He abolished it. He wiped it off the face of the earth. He took it out of Canberra and destroyed it entirely. What did his Nationals colleagues do to stand up for regional Australia then? Nothing. In fact, the Nationals and now disgraced minister John Sharp said in a media release on 17 July 1996: 'There is no clear rationale or constitutional basis for Commonwealth involvement in regional Australia.' The department went and more followed. But, in one simple statement, that minister negated the reason for even his party to exist, and people in regional Australia

heard that. Maybe that is why we have had such a decline in the number of Nationals in this place. In 1986, at the height of the coalition government, there were 18 members of the Nationals. In 1998, there were 16. By 2001, there were 13. By 2004, there were 12. At the last federal election in 2007, there were 10. At the moment, we have only nine. One might well be moved to ask the question: what do the Nationals and the dodo have in common? It is no wonder regional Australia has deserted the Nationals. The Nationals deserted regional Australia the moment they entered into a coalition with former Prime Minister Howard.

It is worth contemplating the history and the record of the member for Lyne. He was elected to the Macquarie Street parliament, the New South Wales parliament, 13 years ago as a member of the Nationals. In 2002, he resigned from the Nationals to become an Independent. He was re-elected as an Independent. In 2008, he resigned from the New South Wales parliament to run as an Independent in the seat vacated by the former Deputy Prime Minister, the seat of Lyne. He won that seat with 63.8 per cent of the primary vote. He took that vote to 73.87 per cent of the two-party preferred vote—a victory in a local community that is not just a confirmation of an outstanding candidate; it is a confirmation of the view of the people of Lyne that they wanted someone who would stand up for them and not someone who would stand with the coalition and stand against local communities. It is a fascinating insight into the way in which people of regional Australia actually read us in this place, and they read us like a book. If the history of the last 15 years of the voting patterns in regional Australia says anything, it says that. It also says that regional Australia want outstanding candidates and outstanding politicians who do not stand up for them-

selves but stand up for people in communities.

Mr Oakeshott spoke at length about a range of issues in his electorate of Lyne. In the past he has also made comment about the transition of area consultative committees to the yet to be formed Regional Development Australia organisation, an attempt by this government to create a single organisation to engage in dialogue with regional Australia and to do it in a transparent and open way. It is to ensure also on behalf of the Australian government that when support is provided to regional communities, to local communities, it is done in a transparent way and it is done to local government—to an elected entity which has, firstly, a capacity to deliver projects. I heard the Minister for Infrastructure, Transport, Regional Development and Local Government speaking earlier about the million dollars which had been provided to the ethanol plant at Gunnedah. One might reasonably assume that if one went to Gunnedah and looked at the site for that ethanol plant, they might see one. But, no, the million dollars got consumed. There is no ethanol plant. The Audit Office went to look for it and could not find it. It was not hiding behind a bushel; it was not hiding anywhere. They just did not build it. But it was paid for with taxpayers' money.

In the last budget the Rudd government provided \$17.9 million for Regional Development Australia. This is more than had been provided in the previous year by the then Howard government, supported by the then National Party in government. This year we are providing \$800 million—record funding—for infrastructure in regional and local communities. The Australian government has a strong track record in supporting regional Australia and working with local government—local government that will not always support everything that we do and that frequently will offer their own views about pub-

lic policy matters and about their communities. And do you know what? Offering their own views, having that grumpy sense of self-reliance, having a view about their communities and how they want them shaped—that is what we need to be responding to in this place, not forming our own views and forcing it on the local communities. (*Time expired*)

Mr JOHN COBB (Calare) (5.09 pm)—I note that the matter of public importance put forward by the member for Lyne talks about the urgent need to shape regional Australia's future, and that is actually very real, particularly now that that part of Australia is so dependent upon exports and the jobs that accrue to them. This is nowhere more so than in one particular industry, the meat industry. The industry is responsible for 50,000 jobs not just in regional Australia but around Australia generally, but it is obviously a crucial industry as far as regional Australia is concerned. In response to a question about the future of that industry today, I believe the Minister for Agriculture, Fisheries and Forestry misled parliament when asked about the government's or his intention to withdraw the 40 per cent the Commonwealth puts towards AQIS's export quarantine expenses. He said that the coalition government had intended to cease to fund that, and that is absolutely untrue. In fact, I asked him to look at the provisional forward estimates, which included funding for a 40 per cent rebate beyond 30 June 2009. So I wonder why the minister misled the parliament on that issue, because he certainly did.

This is a very big issue. We are talking about a time when not just Australia but the world is facing economic hardship, catastrophe—put it any way you want. Let us remember that regional Australia has based its wealth and prosperity very much around mining and agriculture, which are very much export industries. Sixty-five per cent of agri-

culture is exported. A huge proportion of mining is exported. So what does the minister do? He decides to withdraw the funding for the AQIS export program which government and industry had agreed should be funded 40 per cent by government and 60 per cent by industry. I am not quite sure what his purpose is. Why would he want to pull the best part of \$40 million out of regional Australia, out of the 50,000 jobs that accrue to it? We are not just talking about the meat industry here; we are talking about horticulture and seafood, a very great proportion of both of which—probably half or more of the product—go to the Japanese market, which is so sensitive to anything surrounding quarantine, and therefore the program is needed.

At the same time, the minister is pulling out of Washington and out of Brussels the vet and the person in those two offices dealing with trade specifically involving quarantine. The two people in Brussels have, I believe, been told to pack their bags; they are finished. I believe that those in Washington have been told that they will cease on 30 June. The member for Lyne quite correctly talked about the urgent need in regional Australia for people who can help them deal with issues of quarantine and issues of dispute between Australia's exporters. Taking away their support for exporting to markets, particularly to Europe and the Americas, is hardly the way to do that. I compare it to what the government have done to the car industry. The car industry employs approximately the same number of people as the meat industry. Its exports bring in only about a third of the amount of money that comes back into Australia through the meat, horticulture and seafood industries, yet just a moment ago we had the parliamentary secretary going on about what the government are doing for regional Australia. At a time of need, they are withdrawing their support in Brussels and in the Americas to help with

trade and to help settle disputes and adding \$40 million to the cost. I think they should be ashamed, and I think the member for Lyne was quite right when he talked about the urgent need which this government is ignoring and in fact doing its best to exacerbate.

Mr BIDGOOD (Dawson) (5.14 pm)—I rise to speak on the MPI, 'The urgent need to shape regional Australia'. As a government member who holds a regional seat, I can say that the government is not only shaping regional Australia after 11 years of neglect but also delivering for regional Australia with record levels of funding. In my electorate of Dawson this government is now delivering on the Bruce Highway. We are delivering \$50 million to upgrade the Bruce Highway south of Mackay and \$25 million to maintain the Burdekin Bridge. We are also delivering \$25 million to undertake road safety projects which the Howard government identified under the Burdekin road safety audit but refused to fund and \$50 million to reduce flooding and boost safety with a better bridge and a higher road from Sandy Corner to Collinsons Lagoon north of Brandon.

We are also delivering \$95 million towards the construction of the Townsville port access road, which will provide a highway link to the Port of Townsville to support continuing economic growth and jobs. We are delivering record funding for the Roads to Recovery program. More than \$20 million will be given to local councils in my electorate over the next five years to maintain and upgrade local roads and support local jobs and businesses. We are delivering \$8 million to build the Mackay rugby league and junior rugby league stadium.

We are delivering the education revolution through the computers in schools program and trade training centres. I am pleased to say that 13 schools in my electorate shared in over 1,400 computers and \$1.4 million in

funding in the second round of funding. Those schools include Carlisle Christian College, Whitsunday Christian College, Calen District State College, Home Hill State High School, Whitsunday Anglican School, Mercy College, Mackay Christian College, Ayr State High School, Bowen State High School, Holy Spirit College, Proserpine State High School, Pioneer State High School and Mackay North State High School

Trade training centres in schools is another part of the government's commitment to deliver the education revolution. The second phase of this program was recently announced by the Minister for Education, and five schools in the Mackay area, including three in Dawson—North Mackay, Mackay and Pioneer state high schools—will share in almost \$6 million in funding to construct a purpose-built industrial workshop at CQU in Mackay catering for the manufacturing, engineering and mining industries. They have pooled their resources together. Yes, we are delivering for regional Australia.

Furthermore, under the Nation Building and Jobs Plan this government will deliver a \$14.7 billion boost to the education revolution over the next three financial years. Building the Education Revolution will provide new facilities and refurbishments in schools to meet the needs of 21st century students and teachers. All of Australia's 9,540 schools, including the schools in my electorate of Dawson, will benefit from immediate funding for major and minor infrastructure projects. This is not lip-service but real promises, real commitments and real delivery. It is clear that, through these commitments, this government is delivering for regional Australia and for Dawson and is certainly shaping the future of regional Australia.

The DEPUTY SPEAKER (Hon. BC Scott)—Order! The discussion is now concluded.

**HIGHER EDUCATION LEGISLATION
AMENDMENT (STUDENT SERVICES
AND AMENITIES, AND OTHER
MEASURES) BILL 2009**

Report from Main Committee

Bill returned from Main Committee for further consideration; certified copy of the bill presented.

Ordered that this bill be considered at a later hour this day.

AUSCHECK AMENDMENT BILL 2009

Second Reading

Debate resumed.

Ms LEY (Farrer) (5.19 pm)—In 2005, under the former coalition government, a centralised background-checking service was established in the Attorney-General's Department as part of a wider initiative to strengthen aviation and maritime security. This service, known as AusCheck, was created to help the aviation and maritime industries identify high-risk individuals who should not be granted access to secure areas of Australian air and sea ports. It began operation in 2007. It is understood that the original AusCheck Act was intended to apply more broadly than in just the aviation and maritime arenas. It was intended to be nationally applicable and, in fact, that it not require other enabling legislation. But, at that time, the Senate Standing Committee on Legal and Constitutional Affairs determined that it should be narrowed, with a view to broadening it in the future. The coalition supports the broadening of this act for the purpose of background checking for national security purposes.

AusCheck is responsible for identifying individuals who should not be eligible for aviation security identification cards, or

ASICs, and/or maritime security identification cards, or MSICs, by applying a consistent interpretation of the statutory requirements and coordinating background criminal and security checks on applicants and notifying the relevant issuing bodies of the outcome of these checks. The issuing bodies may be the airport corporation, QANTAS, the airlines, the port authorities or contracted private providers such as Fast Track. These background checks were previously processed and coordinated by the background checking unit of the Department of Infrastructure, Transport, Regional Development and Local Government. There is a streamlining effect by having the checking done within the Attorney-General's Department and with certain issuing bodies involved, and it is a more efficient service when it is done this way.

I want to raise some security problems with the maritime security identification card, and I have raised these in the House before. Mr Jeff Buckpitt, who is the national director of intelligence and targeting for Customs, cited concerns to the Parliamentary Joint Committee on the Australian Crime Commission on 29 September 2008 about the lax screening of dock workers. These remarks are on the public record. Confirmed by Mr Buckpitt, it is of grave concern to the coalition that the MSIC arrangements allow for people who have criminal histories to be employed on our wharves—because, as long as the offence is not maritime or aviation related, people with criminal histories are in fact able to be employed at Australia's docks. Approximately 10 per cent of maritime workers have a criminal record.

I refer to the fact sheet from the department of transport that talks about maritime security relevant offences—in other words, the offences for which you may not be issued with an MSIC. I will run through the offences which disqualify you from holding an

MSIC—although, interestingly enough, you can seek reconsideration of the disqualifying decision. These are the kinds of offences: treason; espionage; supply of goods such as weapons for a weapons of mass destruction program; hijacking; destruction of an aircraft or vessel; treachery; sabotage; sedition; interference with aviation or maritime transport infrastructure; counterfeiting; transnational crime involving money laundering; people-smuggling; and importing or exporting weapons or a trafficable quantity of drugs. I read through that list of offences to give the House a sense of the severity of an offence for which you may not receive an MSIC.

I believe the bar is set much too high, and that is demonstrated by the fact that 10 per cent of maritime workers have a criminal record. As Mr Buckpitt shared his concerns with the committee on the Australian Crime Commission, he said:

The security checking associated with MSIC applications is not, in our view—that is, the view of Customs—

a particularly rigorous one. We think that that permits employment at the wharves where there are a substantial number of people who have had criminal involvement or have been supportive of criminal involvement in some way. We think that is one area that needs to be looked at.

That is quite sensible.

Considering that only five per cent of cargo containers are actually X-rayed and only a tenth of those that are X-rayed are physically unpacked, there is a great risk that those with criminal histories could be helping organised crime groups to import drugs and other illicit goods. I am not suggesting that we can X-ray 100 per cent of containers, as the Americans are moving towards. It is incredible to think how that might work in practice. Of course, intelligence has to be applied to the source of the goods, the route they have taken to arrive in Australia, the

types of cargo, the history of the importers et cetera. We are not suggesting that a figure significantly higher should be employed, but it is one way that we could reduce the incidence of crime and certainly the incidence of organised crime using our docks and our port workers.

As any casual conversation with those who work in these areas reveals, there are ways of importing illicit goods through Australia's docks. Criminal organisations might use a container that contains something of fairly low risk that is less likely to be opened up at the port at export, en route or within Australia in our container examination facilities. For example, a container could originate in the port of Colombia. There has been much in the press lately about the quantity of cocaine that originates in Colombia. Cocaine could be thrown into the container. It could then be opened at the port here in Australia by maritime employees who are working in league with the organised criminal group. If the drugs are loaded with goods that are deemed to be of relatively low risk, it is less likely that that particular container would go through an X-ray facility, and of course the goods could be removed at the port before they even get to the X-ray facility. The main idea for the criminals involved is to have those connections at the wharf and to have the movement of the container completely subverted.

Customs have an excellent facility, which I have inspected, at Port Botany for X-raying containers and a terrific process. They are struggling with resources with the \$51.5 million cuts to Customs under this government, but with the resources they have been allocated they do a fantastic job. But I believe we really need to set the bar higher for those who are able to obtain maritime security identification cards, or MSICs, and that would assist Customs in the valuable work that they do. I call on the minister—I am

pretty sure it is the Minister for Infrastructure, Transport, Regional Development and Local Government—who has that power.

In conclusion, the coalition does support the AusCheck Amendment Bill 2009. I mentioned in my earlier remarks before question time today that a couple of concerns had been raised about the amendment bill. One of those was the online verification service and who might have access to this database, which is within AusCheck, in the Attorney-General's Department. If an employer wants to verify, for example, that a person applying for a job is who they say they are and that they actually do have a maritime security identification card or an ASIC, they can log in to the online database and they can check that out. It is important that not everyone can log in to this online database. We have to be very careful about lists of information and databases with individual details on them, and I think that on both sides of the House we are most vigilant about that. I am assured and pleased that the online database can only be accessed by those who punch in the name of one individual concerned and get the response about whether or not they are entitled to the card. Also, the audit trail that exists within AusCheck is such that you need to have a logon to access this database, and what you do in terms of the IT is tracked. I am comfortable with that.

The other concern that was raised was about the operative provision of the act, which is section 8. Under the amendment legislation, we are adding that the regulations that would be included as part of this amendment establish a scheme relating to conduct and coordination of background checks. In the amendment bill there is a list of subparagraphs (i) to (vi). Subparagraphs (v) and (vi) include purposes related to 'the executive power of the Commonwealth' or 'matters incidental to the execution of any of the leg-

islative powers of the parliament or the executive power of the Commonwealth’.

The concern that was expressed to me was that these provisions are quite broad and in fact do not direct one to national security related issues. After further investigation with the Attorney-General’s office and the Attorney-General’s Department, I have been told that the act as amended actually does not determine who should or should not have a background check. That is made clear in the EM. But, if a future department—let us say the department of social security—decided that fruit-pickers needed a security information card, this act alone could not make that happen. There would still need to be enabling legislation, and that would be under our social security laws.

The intent and architecture of this bill relate to checks for national security purposes, and that is the framework in which it operates. Regulations to include new checks would have to be made by the Attorney-General at the time. Remember that this amendment legislation provides that from time to time regulations can be made to expand the field of security information cards. Those regulations, of course, would be a disallowable instrument and therefore they could come before the parliament. In addition, further enabling legislation would have to be made to effect those changes. The drafters do not have a definition of national security because there is not a legal definition, and in this case they did not want the definition to be too wide or narrow. National security involves an amalgam of Commonwealth powers and is not legally defined, as I said. The drafting in this bill reflects that it was a way of tying national security to Commonwealth specific powers.

I am comfortable that the amendment legislation does not widen the ability of any future government—and we are talking

about times future—to include an onerous security checking regime where it would not be appropriate. But I just note those concerns because I think it is important to know, in case sometime in the future someone refers to the introduction of this particular amendment bill, that it has been closely considered and that we and the coalition have been assured, as I have described. We support the bill. There are concerns about the MSIC arrangements that allow people with criminal histories to work on our docks and deal with sensitive cargo, and they do need to be addressed. I urge the government to put that as a priority, because our dock workers are very much the gatekeepers of our borders.

Mr HAYES (Werriwa) (5.32 pm)—National security is a priority for this government. It is no secret that this government is committed to doing all that it can to guard our borders, to guard against terrorist attack and to do everything necessary to protect the rights of citizens of this country. We are working vigilantly to fight terrorism, and that requires us to increase the security measures that may apply with citizens of this country.

It is for this reason that I rise to support the AusCheck Amendment Bill 2009, which will amend the AusCheck Act 2007 to provide a capacity under the act for background checks to be carried out for national security purposes. AusCheck was created and began operation in September 2007. It was formed to help the aviation and maritime industries to identify high-risk individuals who should not be granted access to secure clearance areas in Australian airports or seaports. If you work in a designated Australian airport or seaport, you are required to hold either an ASIC, an aviation security identification card, or an MSIC, a maritime security identification card.

When I had the good fortune to work for some time as an adviser to Sydney airport, I

had to go through the necessary checks and duly received an ASIC. It did not matter if you were working advising the chief executive officer or working in the baggage claim area; everyone had to go through the same degree of checks to enable them to have access to secured areas in the aviation transport industry. That is only to be expected. It is not that there were perceived threats there; it was that the then government, together with the industry, developed and implemented various regimes of safety and security checking to be observed in maritime and aviation ports.

I know the extent to which people are checked in those ports. One of the areas of some criticism, however, is that, whilst permanently employed baggage handlers in those days would go through the necessary police checks and be credentialled and issued an ASIC, I am not quite sure it happened in exactly the same way for people who came into the airport who were casual employees and were employed on a day-to-day basis. That is a matter that I think the operators of the airport and the users of those facilities have since been required to address.

During the time of the operation of AusCheck, it has gained wide acceptance across the Australian aviation and maritime industries. I think it would be fair to say that it has netted real results. Existing clients report that this system is working faster and reduces the administrative costs and burdens in comparison with the prior arrangement, when employees were required to get the necessary checks to be issued with an ASIC or a MSIC. However, the existing act only permits AusCheck to coordinate background checks for the purposes of the aviation and maritime security identification card schemes. This is a limitation because it may be, from time to time, that there are other areas of national security where it is deemed prudent that background checks occur. If that happened without these amendments going

through, AusCheck would not have the legal capacity to be able to undertake that checking arrangement on behalf of the Attorney-General.

There is nothing in this bill that indicates areas where this may come to pass. I can speculate that it might be in areas where people are dealing with precursor drug chemicals or precursor chemicals for explosive material. It may be something that may arise in the future as being prudent to have people working in those areas subject to security checks for an appropriate identification scheme. However, if that were to come to pass without this amendment, it would not be possible to do that through AusCheck. Background checking for national security purposes offers a tool for meeting national security policy objectives including regimes related to high-risk industries and greater consistency in control of hazardous substances. It should be noted that no requirement for any person to have a background check will be imposed as a consequence of this amendment. This amendment empowers, on appropriate direction, AusCheck to conduct the identification security exercise, as opposed to actually determine who it is who is to be checked.

The amendments to the bill simply pave the way for AusCheck to take on additional background checking functions under future legislation. The bill also amends the act to authorise the use of identity verification information where it is required to verify the identity of a particular person. A national security background check could be used to implement background checking policy in a number of areas where there is a perceived national risk. For example, as I indicated in relation to precursor chemicals or other hazardous materials, there could be a perceived need to have access to secure or sensitive information. If that were the case, decisions could then be made to require those persons

to undergo these security checks. But that would require another piece of legislation. This legislation does not determine who it is that would be required to undergo those checks.

The amendments will also include specific provisions to authorise and protect the information about an individual where this information is required to complete other background checks. For instance, in conducting criminal history background checks, it is sometimes necessary to confirm the identity of an individual so that police services can distinguish between people of the same name and, on some occasions as I understand it, people who share the same birth date. In these circumstances it may not be possible to complete the background checks unless the identity of an individual can be confirmed through the provisions of further identification information, such as fingerprints. The amendments are intended to ensure that, if AusCheck is required to facilitate the provisions of this information to other relevant police jurisdictions, then this information will, firstly, be afforded all the additional protections given to other AusCheck personnel information and, secondly, not be available for any purpose other than a further background check. This is intended to reflect the purposes of collecting this information in the first place, which is the verification of a particular person's actual identity, and only their actual identity.

Background checking is used worldwide. For those fortunate enough to travel overseas, they see it every time they go anywhere, particularly in a secure area, whether to the United States or to the United Kingdom—all airport personnel undergo these checks and carry the necessary equivalent of our ASIC or MSIC cards. This piece of legislation facilitates AusCheck having the capability, if and when directed by legislation, to conduct checks for national security pur-

poses. It allows for greater efficiency in our national security scheme, which is something that is very important in our overall fabric of protecting not only the borders but also the citizens of this country. As I said at the commencement of my contribution, this government takes very seriously its role in relation to national security and it is for this reason that I commend this piece of legislation to the House.

Mr RIPOLL (Oxley) (5.42 pm)—I thank the House and I thank Deputy Speaker Moylan for the opportunity to speak on the AusCheck Amendment Bill 2009, emanating from the Attorney-General's Department. First, I would like to congratulate the Attorney-General and his department for the good work they have done in processing these amendments and what that will mean in terms of the national security capacity in Australia. I think the main purpose of this bill is very clear, and it is clear to the extent that it amends the AusCheck Act 2007 to provide a specific capacity for the minister's department to carry out background checks for the purposes of other bits of legislation and acts. In itself, this amendment and this act will not provide for the background checks of persons in relation to any particular act. What it does is provide an extension where there is a limitation in the current act. The current act allows for background checks to be carried out in relation to only two specific areas of law—that of the Aviation Transport Security Act 2004 and the Maritime Transport and Offshore Facilities Security Act 2003. So there is currently limited scope by which background checks can be carried out. The bill in itself does not give the authority to carry out those background checks, but it provides for the Attorney-General to have that capacity, where it is required under other laws and jurisdictions.

This amendment to the bill extends that capacity to other areas of law and other ju-

risdictions. This bill highlights the continuing and longstanding commitment of the Labor Party, both in opposition and now in government, to take national security very, very seriously—to look at the practical measures by which national security measures can be enhanced; to look at the practical measures by which national security can be improved; and to look at the most effective and efficient methods by which this can be done. The importance of a strong national security regime is of no small consequence to the House, as is continuing to improve Australian law which provides for national security.

I can imagine that there would be some people, either in the community or in other areas, who may have particular concerns in the area of background checks. They might have those concerns for a number of reasons. I can assume that some of those concerns would come from people who are concerned about civil liberties, about privacy and about other issues related to a person's background. But, in support of this bill and in support of that extra capacity given to the Attorney-General and his department to be able to carry out background checks in areas other than just the areas of the Aviation Transport Security Act 2004 and the Maritime Transport and Offshore Facilities Security Act 2003, there are some very good reasons why background checking should take place.

As it currently exists in the community, background checking is not something that is odd, unusual or in any way foreign to most people. Most people who apply for certain licences, jobs or positions within the community or who apply to work with certain people—for example, with children—submit themselves for a background check. Of itself, this is not an invasion of privacy if it is done for the right reasons and under the right regulatory regime. If it is for good reason, then any person—be they an Australian citi-

zen or be they somebody else—seeking to obtain licences, to obtain access to specific areas or to put themselves forward ought to allow a background check. This is particularly so if they have nothing to hide.

There are individuals who have access to areas of high risk, to places of high risk, to sensitive areas, to things that are of national security importance to this country or to substances. There are people who hold particular positions. There are a whole range of areas—we know that, for example, in the areas of shipping or aviation there are particular risks or issues of national security which exist. People working in those areas do understand the importance of security—not only national security but their own security. I think they need to be confident that the people they work with have gone through some background checking and that there is a good standard and uniform practice across the country.

As law currently exists, there is not enough consistency and these laws do not apply to enough of an extent. While a person who works under a particular act in relation to their position or who has access to certain places needs to have a background security check, that same person may not have that requirement in another area. I think that is an inadequacy within the law, and that is what we are dealing with today. For those who may be listening or have some concerns, the bill itself does not provide for the blanket application of background and security checks but allows the extension of the current legislation to move beyond just those two acts which, as I have mentioned, currently cover such checks.

Over the years—and I have been in this House for some time now—issues of national security have always drawn an intense level of debate, emotional responses and quite a lot of enthusiastic participation from

a whole range of members of parliament and the community, for very good reason. When we talk about national security, it is a massive responsibility that any government takes on. Part of that massive responsibility, I believe, goes not only to what you see, read and hear out in the community and in the media but to all the practical measures a government can take in ensuring that the security needs of this nation and all of its citizens are a priority. This bill extends that principle. This bill adds to that value and that principle—a value that is shared by all Australians.

I am very satisfied—having read the explanatory memorandum, having read the bill and having looked at a number of contributions by other members, including having read the contribution by the minister—that this is a sound bill, a good way forward and an enhancement of Australia's already rigorous national security regime, something of which we can all be proud.

When the Labor government was elected in 2007, it made a range of commitments in the area of national security and defence. It made commitments relating to our aviation facilities, people who work in aviation, our maritime industry, people who work in the maritime and transport industries, and our land transport industries.

When you are in a nation as big as Australia is, with a shoreline as extensive and uninhabited as the Australian coast and with a large mass, you need to have very strong regulation, a very well-understood regulatory regime and the appropriate powers of checking and enforcement for the officials that you appoint to carry out their responsibilities to monitor, oversee and in the end enforce your national security regime. Again, this bill does exactly that.

As we have heard from other members, there are a range of areas where this is par-

ticularly relevant. One of those particularly high-risk areas, as we have seen, is aviation. Australia is probably unique in its make-up: while we have a number of highly security-stringent capital type airports, we also have hundreds and hundreds, if not thousands, of small regional airports with some security risk issues. We have been working for some time to make sure that, where people work in areas where they hold people's lives in their hands, where they deal with sensitive areas of national security and with matters that could be a national threat, appropriate licensing and appropriate mechanisms are in place to protect people—not only the people that they look after but also the people that they work with.

I am very happy with this amendment. While minor, to some extent, in what it does with the existing legislation, it is very important in that it gives the capacity for the Attorney-General's Department, when they are carrying out their responsibilities in conducting background checks, to make sure that the background checks that are required by other authorities or under some other law are actually possible—because currently they are not—and it makes sure that under the act a background check can be identified as a requirement for people who have access to certain places, things and substances—to all those areas that we know potentially could be a matter for national security.

As I said, this bill demonstrates this government's continuing commitment to matters of national security, which we think are not just held within the Defence strategic type portfolio. It goes very much beyond that; it goes very much to civilian activity and to what happens around our shores and on land. As we have seen in the experience overseas, these are very real, very powerful and very important matters to deal with. In many other countries that we visit either as tourists or as travellers, depending on our status there are

security checks done on us. I think that is actually a reasonable thing, on the basis that all nation-states need to ensure that people who travel through their borders and use their facilities are of good character and, particularly, that people who work within sensitive areas and environments have the appropriate checks in place.

That in itself does not prevent incidents from occurring. As we have seen in the past, sometimes it very much does not prevent serious matters occurring. But what it does do is provide the authority and the legitimate power and law for this country to go about these matters in a proper way. It provides for our law enforcement agencies and our national security agencies to have at their disposal the appropriate levels of law and regulation to do their job in an effective manner.

I know the minister is very committed to this area. I know also that a lot of work has been done in the transport portfolio to make sure that the relationship between what this bill does and the laws and acts in other jurisdictions is complementary. I commend the bill to the House and congratulate the minister for the work he has done.

Ms HALL (Shortland) (5.57 pm)—At the commencement of my contribution to this debate on the AusCheck Amendment Bill 2009, I want to commend not only the minister for bringing this legislation to the parliament but also the previous speaker for his in-depth, analytical and very fulsome contribution to this debate. This amendment may, on first sight, appear to be a very minor amendment to the legislation. By listening to the member for Oxley, we are able to understand that many complex issues and nuances are associated with it and that it is a very important piece of legislation that we have before us today.

I rarely speak on security legislation but on this occasion I feel very comfortable in

supporting the legislation that we have before the parliament. The main purpose of this bill is to amend the AusCheck Act 2007 to provide a capacity under the act for background checks to be carried out for national security purposes. When the original act was introduced I did have some concerns about how it would be implemented and administered, but the concerns I had have been proven to be unfounded. In this amendment there is no requirement for any person to have a background check; no background check will be imposed as a result of the amendment to the act.

Rather the amendment will provide a bare capacity for the Attorney-General's Department to carry out its responsibility to conduct background checks that are required under the authority of some other law other than the very narrow background checks that are currently allowed. A background check under the act could then be identified as a requirement for access to places, things, substances and employment positions as specified by a regulatory scheme. The bill will also amend the act to authorise the use of identified verification information where it is required to verify the particular individual. The current act only allows for background checks for the purpose of the Aviation Transport Security Act 2004 and the Maritime Transport and Offshore Facilities Security Act 2003. What I see is that this legislation brings some consistency to the AusCheck Act 2007.

I must say that at the time the Maritime Transport and Offshore Facilities Security Act was introduced in 2003 I did have some serious concerns about that legislation. When I spoke to that legislation I put forward the argument that the legislation did not properly coordinate maritime security, with the activities of other relevant authorities not being included. I felt at that time that it failed to communicate with all key stakeholders and I

felt that the government of the day had failed to properly recognise that the Maritime Union had a role in security. It failed to work with that union to ensure that all aspects of the legislation were considered. So I felt that the union that represented the workers who were actually subject to security checks, and who had some concerns about security on the waterfront, was not properly consulted. Because of that, I had a problem with the legislation and I felt that there was some conflict between the departmental secretary's powers to issue orders and the powers of the harbourmaster.

When I look back to that legislation and consider the lack of consultation, and maybe some controversy that surrounded it, I feel a lot more comfortable with the legislation that we are debating today. In that particular legislation there was a report that dealt with national security. Under that heading of national security it noted that there were inconsistencies between the policy on coastal shipping of the government at that time and the actual implementation of the security requirements in that legislation. I went on to talk about the fact that we had foreign flagged ships circumnavigating the coast of Australia. I think an issue that you can raise in relation to that is the current oil spill in Queensland and the fact that the information that needed to be provided to both the Queensland government and the federal government was not provided at the time. That highlights that there was inconsistency in that particular legislation and its failure to address some of those issues. It is also important to note that there were very different standards of requirement in the legislation that is referred to in the AusCheck Amendment Bill—this maritime transport legislation. There were very definite inconsistencies between the Australian scenario and the legislation in the US, where they had a stronger security regime.

The reason I highlight inconsistencies and the reason I highlight that legislation is that it is linked to this legislation. The one point I would like to make about this particular legislation we are debating in the House today is that it actually adds consistency. There will be no requirement for any person to actually have a background check, as I mentioned earlier—and that will not be imposed as a result of the amendment of the act. That makes me feel very comfortable because that is the grey area where I have always had some concerns in relation to security issues. Rather the amendment will actually provide a bare capacity for the Attorney-General's Department to carry out its responsibility to conduct background checks that are required under the authority of some other law. A background check under the act could then be identified as a requirement for access to places, things, substances or employment positions as specified by the regulatory scheme.

The bill will also amend the act to authorise the use of identity verification information where it is required to verify the identity of a particular individual. These are all very sound measures. The adoption by the Commonwealth and the states of a national security background check as the basis of a prerequisite for a licence or other authorisation has been identified as a means to achieve consistency in relation to the regulation of access to certain places and things, and I think anything that will add to that consistency is worthy of support.

The bill marks an important step in the development of background checks for national security purposes and demonstrates the Commonwealth's continued commitment to meeting national security policy objectives. National security and the fact that the world that we live in today is not quite as safe as it once was are of concern to a number of Australians, and these national security checks

will certainly put some people's minds at rest. The bill will provide for the Attorney-General's Department to conduct background checks to support regulatory regimes involved in identifying individuals who could present a national security risk if allowed to access high-risk places, things, substances or positions. These details are outlined in the explanatory memorandum.

Before I went through the details in the explanatory memorandum, I did have some concerns about this bill. But, after going through the explanatory memorandum, the concerns that I had were allayed. In fact, the explanatory memorandum not only allayed the concerns I had but actually convinced me this legislation is very worthy of support. The fact that there was not a requirement for a person to have a background check allayed a number of fears that I had about this change, as did the fact that background checks would be carried out by the Attorney-General's Department, which would conduct them in a very responsible way. The explanatory memorandum highlights:

The amendments will also include specific provisions to authorise and protect biometric information about an individual where this is required in order to complete a background check.

It is vitally important that this security is in place. Sometimes it is necessary to confirm a person's identity so the police can distinguish between individuals with the same name and similar dates of birth.

I was confronted in my electorate with a case of an extremely law-abiding citizen who was working for a government department. When a police check was requested by the government department before allowing her to move from casual contract work into permanent employment, she was identified as a person of quite a dubious nature. The check revealed that she had been involved in numerous cases of fraud and other things which

were very foreign to this law-abiding person. The fact was that there was another person that had the same name and same date of birth. It took a lot of work by me and my electorate office to clear this person's name, but now she is a happy employee of the government department. That shows that these things can happen and that there is quite often a need to collect this kind of information.

Regarding the collection of this information, the explanatory memorandum says:

... this information will be (i) afforded all of the additional protections given to other AusCheck personal information; and (ii) not be available for any purpose other than a further background check.

I think that that is very important. It goes on to say:

As a consequence of the inclusion of a capacity to conduct national security background checks, the Bill also includes amendments to the provisions that give authority for AusCheck to provide an online verification service.

The online verification service which is currently restricted to aviation security and maritime security cards and which was debated when it was introduced in the previous parliament—and I referred to that legislation earlier in my contribution to the debate—will be extended under this legislation, which I really do believe is worthy of support from both sides of the parliament.

In his second reading speech, the Attorney-General highlighted the benefits of the AusCheck legislation passed by the parliament in September 2007 in maintaining security within this parliament. He went on to talk about how this legislation expands those checks. The Attorney-General is a person who is totally committed to ensuring personal rights are protected. He highlighted that there would not be a requirement for a person to have a background check. He talked about the existing systems, which are

also mentioned in the explanatory memorandum, saying:

... the bill will authorise and protect biometric information about an individual ...

Those are all aspects of this legislation that needed to be in place for me to feel comfortable supporting it. He also said:

... the positioning of AusCheck as a centralised background checking service for the Commonwealth is in keeping with the public's expectation that adequate cost-effective security arrangements are in place.

Greater access by Commonwealth agencies to AusCheck's resources reduces duplication of—checks that currently take place. The Attorney-General also said that the bill provides the legislative framework for more efficient background-checking schemes.

I congratulate the Attorney-General on the legislation that he has brought to the parliament today and I congratulate the previous speakers in the debate. This is legislation that I can support, and I feel confident to do so as I think it has the right checks and balances to ensure that it does not lead to an abuse of power. In actual fact it contributes very much to the security of our nation and will ensure that the checks that are conducted are conducted for the appropriate purposes. It will be of great benefit to our nation.

Mr SULLIVAN (Longman) (6.16 pm)—I rise to support the AusCheck Amendment Bill 2009, which amends the AusCheck Act 2007. At the outset I would like to say that, for most of us present in this parliament in the normal course of a day, this bill reflects a different world to the one in which we grew up and in which our values were formed. A bill of this nature, as with the 2007 act, would have been unimaginable in the 1950s, even though that time was in such close proximity to the end of World War II. However, in the context of the world in which we find ourselves today, these measures are not

only important but necessary, and the provisions contained in the AusCheck Amendment Bill that we have before us at the moment are provisions of eminently good sense.

I spent most of my working life seeking and wearing identification cards. I worked in the aviation industry, and in those days an identity card was one which the company gave you. It bestowed upon you a privilege which you wanted, and that was to be able to go air side at airports. Now, unless you have a decent character, you cannot go air side at an airport and probably cannot work on the ground side either. I think it is important that as our first point of reference to this legislation we understand that these things are necessary in the world we have today.

The objectives of this amending legislation are very simple. They are to enable the AusCheck agency to undertake background checking beyond the aviation industry security card and the maritime industry security card functions that already exist as a consequence of the 2007 act in relation to matters where national security is concerned. 'National security', of course, is a somewhat difficult concept that I do not know has ever been properly defined, but I think that we all know instinctively what national security means. It is something that I know the electors of Longman and, I guess, the electors of all Australian electorates insist absolutely that this parliament look after on their behalf.

The 2007 legislation established AusCheck as a centralised, government managed, background-checking service, and it has been in operation for around two years. In that time it has developed an excellent reputation both for the speed with which it undertakes its work and for the consistency and the quality of the work that it does. AusCheck took over its functions from the Background Checking Unit of the Department of Infrastructure, Transport, Regional

Development and Local Government—although I am sure that at the time AusCheck took over those functions that was not actually the name of the department. AusCheck was established to enhance national security by establishing greater and more conspicuous control by government of security arrangements at air and sea ports. It was also to mitigate the risk of security clearances being given to people using fraudulent proof of identity documents, to reduce duplication in background-checking and, importantly at the time, to provide capacity for other background-checking purposes—and that is the purpose of the amending legislation that we have before us today. It is very appropriate that a single agency—in this case, Auscheck, which is already doing the job and doing it well—has the sole responsibility for critical background checks in areas where national security is concerned. The areas which it already operates in are areas where national security is concerned.

The expansion of the number of purposes for which AusCheck would undertake background checks was anticipated in the original bill and, as a consequence of a Senate committee having a close look at the 2006 bill, a number of changes were made. I understand that some of those changes were made following a very strong submission to the inquiry from the Office of the Privacy Commissioner, who indicated that public confidence would be improved if those future, not yet defined expansions of the AusCheck function were to be undertaken only after primary legislation had been enacted. Some changes were made to the original bill as a consequence of that sentiment, if not that submission. If we have a look at the expansion that is going to occur in section 8, we see that the amendment sets out the scope of the circumstances where AusCheck will be able to manage national security background checks, which is a new term within this bill.

All of those particular purposes were included in the 2006 bill but removed from it by the time the 2007 act was enacted.

I should say that one of my principal dislikes in legislative formulation occurs in the 2007 act, which could have given some ground had it not been further defined. In 18(1B) we hear that ‘the Governor-General may make regulations prescribing matters necessary or convenient for the purposes of the act’. ‘Necessary or convenient’ is a fairly wide-ranging regulatory power, exceeded only by the one that I have seen in some state legislation which says that the Governor in Council may make regulations for anything about which the act does not make sufficient or any provision. In this case, that ‘necessary or convenient’ power has been tempered by the matters that are in subsection 2 and therefore there is no threat in this legislation that there would be a capacity for the Attorney-General to move towards expanding the specific background checks without there being some principal legislation put in place in order to do that, as the Privacy Commissioner wanted. That point is made on several occasions through the material that goes hand in hand with this legislation—for example, in the second reading speech of the Attorney-General when he said:

No requirement for any person to actually have a background check will be imposed as a result of the amendment to the act ...

That is fairly clear. I do not think that any reasonable person would find anything other than that the intention of this parliament in the passage of this legislation is that the expansion of the purposes for which AusCheck will be able to conduct background checking will be for those purposes that have been established by principal legislation somewhere else.

The bill also expands a little into biometrics, as the previous speaker mentioned.

Biometrics is a fairly interesting and rapidly developing science. It is somewhat defined but evolving all the time. For example, when we talk about biometrics we naturally think of fingerprints. That is the first thing that comes to mind. But there are many biometric factors that could be used: face recognition; DNA; hand and palm geometry; and iris recognition, which has largely replaced retina recognition. I also understand that biometrics can determine which of us is which of us by our odour or our scent. Our voices can also be used; physiologically each voice has a different pattern.

Some of this sounds like it could be highly invasive or so we might think. I can recall being in state parliament and participating in debates about whether or not police could require somebody to be fingerprinted and yet today, if you visit Disney World in Florida, they take your fingerprint to make sure that the person who is using the ticket in your hand is the person who paid for it and is entitled to use it. We will give Walt Disney's heirs and successors our fingerprints but we are a bit concerned about giving them to the police. Attitudes are changing and over time these things are being used more frequently to gain access to computers, for example, so I think that the use of biometrics is something that we cannot rail too much against.

I was very interested to learn that, with privacy issues on biometrics coming to the fore as biometrics are used more and more, Australia is at the forefront of privacy in this area and that the Biometrics Institute privacy code in Australia is cited as a world first and something that ought to be considered by other countries. That led me to have a look at the Biometrics Institute because I had not heard of it until I came across that. I had a bit of a look at it on the World Wide Web, as we are wont to do these days, and thought that it is an organisation that is moving very well, as the science advances, to make sure that

the users of the science are using it in an ethical way.

The document that I spoke of a moment ago is obviously too lengthy for me to bring into the parliament, but I thought the parliament might be interested in knowing who is actually looking after the ethics of the use of biometrics in this country. The board of the Biometrics Institute is made up of: Paul Kirkbride, the chief scientist in the business support area of the Australian Federal Police; David Lang, who is the manager of the Identity Services Team at the CrimTrac Agency, which is associated with the Federal Police also; Geoff Poulton, who was formerly the Senior Principal Research Scientist of the CSIRO—at the time when he was appointed to the board, that was his position; Terry Hartmann, who was the IT manager for passports at the Department of Foreign Affairs and Trade at the time that he was appointed, although he is in a different role now; Trevor Long, who is the manager of group facilitation in Airport Security at Qantas; Kevin Darch, who is the manager of the Visual Identification Unit of the Queensland Police Service; a New Zealander, Caroline Hubbard, who is the strategic development manager for the Department of Internal Affairs ID services in New Zealand; and another chap by the name of Philip Youngman, on whom I have very little information. These are serious people looking after the serious job of protecting the security of information for Australia and establishing a group of ethics that will inform the use of biometrics by all people who are looking to use them.

The idea of background checks is not new, as I say, and some people probably need to consider exactly what a background check entails. A number of people have had to have background checks. The first element of background checking that is undertaken in relation to an AusCheck exercise is a crimi-

nal history check from CrimTrac and the Australian Federal Police. It is clear that a person's predilection towards criminality ought to be a preclusive factor from a number of functions, but also, in my mind, we operate in a system where people make mistakes and need to be given the benefit not of the doubt but of us believing that those who have made mistakes and paid the price should not be made to pay more.

The next part of a background check is a security assessment from ASIO. I am not sure how many of us would necessarily pass that. There was some interesting material last year about the number of drinks that a particular member of this parliament had at a function, and I am not sure whether that is an appropriate—

Mr McClelland—It was the Australian Crime Commission.

Mr SULLIVAN—That was the Australian Crime Commission? It was a different one. Who is in charge of those, Minister? The third element is a right-to-work check from the Department of Immigration and Citizenship. In other words, we are not going to issue you a pass to work in a sensitive area in this country unless, of course, you are qualified to be here.

The Attorney-General mentioned in his second reading speech that two years of operation of AusCheck has, in fact, given great confidence that this organisation is able to perform the functions for us. It is eminently sensible that, where these kinds of checks are required, for whatever security purpose for the government, a single agency is tasked with the job of doing that. That means, essentially, that the background checking that I get, for example, to enter a maritime situation is no different to the background check that is given to another person to enter an aviation situation, to work in a sensitive defence installation or for whatever other pur-

pose we may want to do a check. The duplication of effort, were these to be done by different agencies, would just not be enormously sensible.

Having said those few words, I say that I too want to congratulate the Attorney-General on his custodianship of the portfolio in the 15 or 16 months since the government was elected. I have said in private—or publicly, but in smaller gatherings—that I think that this Attorney-General will be recognised well into the future as one who has done an excellent job for the people of Australia. This is a minor piece of legislation by comparison to a number that he has shepherded through the parliament in that time, but it is an important piece of legislation in the minds of all of our constituents. The cliché that people want to go to bed at night knowing that they are safe is very much a consideration that Australians want from this government. We have only to look at the prominence that the issue of national security has in people's minds at any election time; it is of equal consideration to the economy for people's votes. I think it is appropriate that these changes be made. These will give comfort to the people who elect us to represent them in this place. This will make sure that those protections that we put in place via other methods will not be undermined by the placement of inappropriate people in sensitive and critical positions. With those few words, I commend this bill to the House.

Mr MURPHY (Lowe) (6.36 pm)—I rise to speak on the AusCheck Amendment Bill 2009. There can be no doubt that since the tragic events of 11 September 2001 there has been a heightened sense of awareness of the potential threat to public safety in a wide range of high-risk industries. The tragic attacks on the nightclubs in Bali, train stations and buses in London, hotels and train stations in Mumbai in India and the Sri Lankan cricket team's bus in Pakistan are a stark re-

minder, if we ever needed one, that terrorists have no limits as to who or what they will target. While we continue to grieve for those who have lost their lives or been injured by such cowardly and evil attacks, we must remember that we truly live in a global village. A terrorist attack in any part of the world is an attack on all of us. As Australia's National Security Adviser, Major General Duncan Lewis, has previously stated, *inter alia*:

The Mumbai attacks are a sober reminder that the issue of terrorism not only has not gone away, but is an enduring issue that is going to go on into the future and will be with us for some time.

The first priority of any government, more so now than ever, is defending our nation's security, particularly given the complex range of national security challenges we face. The former United Kingdom Attorney-General, Lord Goldsmith, was quite right when he said:

Let us not forget that terrorism, by its methods and aims, has the potential to negate all the individual rights which we all hold so dear.

Freedom from attack or threat of attack, the maintenance of our territorial integrity, the maintenance of our political sovereignty and the preservation of hard-won freedoms are not issues to be taken lightly. There is broad consensus in the intelligence community that the greatest threat to Australia of terrorism or other impropriety is from home-grown terrorists rather than foreigners. Indeed, in our own community locals have been convicted by Australian courts for unfathomably preparing attacks in our country.

In December the Prime Minister delivered a comprehensive ministerial statement on the national security challenges facing Australia and the approach of our government in responding to those challenges. In that statement, the Prime Minister made it clear that Australia's national security policy will continue to build on an enduring ability to create

national security agencies and capabilities that work effectively together.

As recent prosecutions have demonstrated, our many security and law enforcement agencies have played a critical role in protecting us from attack. In the main, they are well-established, well-integrated, effective at collecting intelligence and effective at assessing the implications for our security environment. However, while Australia has a highly developed national security community which works well, there has always been scope to be more innovative, more coordinated and more integrated. As the Prime Minister mentioned in his statement:

In an increasingly complex and interconnected security environment, we need a more integrated national security structure that enhances national security policy coordination.

That is why the Rudd government is establishing a new level of leadership, direction and coordination among our existing intelligence agencies—with the first step being the appointment of a National Security Adviser to provide advice to the Prime Minister on all policy matters relating to the security of our nation.

The AusCheck Amendment Bill before the House tonight will also play its role in developing a more coordinated and integrated national security culture. In speaking on the AusCheck scheme, it is important to not lose sight of the context in which the scheme was originally developed. We all remember the 2005 review of airport security and policing headed by Sir John Wheeler which chronicled the many things the former government got wrong in aviation security. Following a recommendation of the Wheeler review, AusCheck was established to, among other things, enhance national security by establishing greater and conspicuous control by government of security arrangements at air and sea ports, mitigate the risk of Aviation

Security Identity Cards and Maritime Security Identity Cards going to ineligible persons, and reduce duplication and improve the consistency and response time of background checking in the aviation and maritime industries.

What Sir John Wheeler intended by a centralised data collection agency was improved aviation security, which is something I have long supported. The effective screening of employees in high-risk areas, such as baggage handlers, is made all the more important when it is realised that physical security devices in airports, such as CCTV cameras, are not infallible. These highly sensitive areas require the screening of employees; this is the community expectation, as it is mine. Members who were in the House in the last parliament may recall my many questions on notice to the Minister for Justice and Customs at the time which uncovered the fact that, on at least three occasions at Sydney International Airport, CCTV cameras in the baggage make-up area were found to be pointing towards the wall or out of focus. Senator Ellison, who was the minister at the time, certainly did not deal with that issue seriously, in my view, because we never got to the bottom of how cameras mysteriously were turned towards the wall or were put out of focus.

We also remember the allegations of a drug syndicate running out of the airport, incidents of corrupt behaviour by a baggage handler, the arrest of three airline employees for narcotic offences and the disclosure of a Customs report which detailed concerns about convicted criminals holding sensitive positions in airports. Suffice to say the comprehensive vetting of employees by a coordinated unit could not have come soon enough for members of the public. The issue for them was one not just of terrorism, as important as it is, but of the potential for dis-

honesty in the handling of their personal items.

AusCheck provides a statutory framework to help identify high-risk individuals who should not be granted security clearance to enter restricted areas. It does so by coordinating extensive background checks using state police, Immigration, ASIO and AFP records and resources. I certainly do not casually gloss over the potential invasiveness of the assessments, particularly given their ability to impact on people's livelihoods. That said, it is critically important that people in sensitive areas or positions are properly and thoroughly checked in the interests of the safety of everyone. I am sure the assessments are not conducted lightly but are done so in a manner that is in keeping with the public's expectations that leading edge security arrangements are in place to protect them in all vulnerable areas or situations. That is why I support the amendments to enable AusCheck to provide centralised background checking in relation to a wider range of national security regulatory schemes other than the aviation and maritime sectors that it already covers.

It is prudent to also note the comments, or intention, of the Attorney-General's Department in 2007 during the time of the passage of the original AusCheck Bill, when it stated:

When government directed that AusCheck be established, it was in the context of a direction that a scheme be established to centralise the aviation and maritime scheme but also that the Commonwealth was conscious that a significant amount of background checking occurred within the Commonwealth and that there might be opportunities to minimise duplication and improve efficiencies by creating a framework within AusCheck that could subsequently, after the aviation and maritime schemes had been settled, move on and look at other opportunities for background checking that was occurring within the Commonwealth.

That was one sentence, believe it or not! The A-G's Department should be flogged for writing such long sentences. That is, in essence, the framework that this amendment now achieves.

It is important to note that this amendment only provides a framework to facilitate the extension of AusCheck's background-checking functions to aviation and maritime transport. If any government seeks to actually use the AusCheck national security background check in a new context, it will have to separately develop the legislative or other regulatory provisions to transfer those functions to AusCheck. This bill merely paves the way for AusCheck to take on additional integrated and coordinated background-checking functions, in other high-risk industries, under new legislation in the future—should a government be inclined to do so.

It is not hard to envisage other high-risk contexts where there could be a perceived national security risk and when it would be in keeping with the public's expectations to implement well-integrated and well-coordinated background checks on the employees involved. Indeed, the explanatory memorandum makes note of a Council of Australian Government review of hazardous materials, which has identified access to sensitive biological materials as an area where activities could be regulated to further address national security risks. Of course, any future legislative instrument that compels background checking through AusCheck will need to strike a balance between the rights of the individual and the safety of the community. I trust that such concerns will be taken into account if or when those legislative or regulatory provisions are drafted.

Our world is certainly in a significant period of transition, and we will need to be adept at adjusting our policies and capabili-

ties in order to protect our country from unprecedented challenges and threats. The AusCheck service has gained widespread acceptance across the Australian aviation and maritime industries—which is a good thing—and it has also achieved results in improving the speed, reliability and consistency of background checking. I am supportive of the amendments in this bill, which will enable the government to build expertise in background checking for other systems and processes, particularly where there is a strong community interest in such checking. I therefore commend the bill to the House.

Mr McCLELLAND (Barton—Attorney-General) (6.48 pm)—in reply—I would like to thank all honourable members for their contribution to the debate on the AusCheck Amendment Bill 2009. I will respond to the issues raised in the debate in a few moments time. I am tabling today an exposure draft of the proposed regulations, a privacy impact assessment of this bill and a commentary prepared by my department. The exposure draft regulations are intended to give an indication of how a national security background check might look. I must emphasise at this point that these are indicative regulations only. The actual form of the regulations would be tailored to the particular circumstances in which the background check is required. The purpose of tabling these exposure draft regulations is as an aid to those interested in this area of policy and to foreshadow the government's thinking. Specifically, the exposure draft regulations are intended to give an indication of a national security background check in action.

In a similar vein, and also to assist members in their consideration of the AusCheck Amendment Bill, I am also tabling the privacy impact assessment that my department commissioned as part of the drafting for the bill, as well as a commentary on the privacy impact statement prepared by my depart-

ment. A privacy impact assessment is a way of measuring the privacy impacts posed by legislative, policy or technological initiatives. The privacy impact assessment was undertaken by an external consultant, and members may find both the privacy impact assessment and the departmental commentary useful in demystifying the operational aspect of the bill. Members will note that not all recommendations of the consultants were accepted, but where that has occurred there is an explanation as to why the particular approach was taken. The exposure draft regulations, the privacy impact assessment and the commentary will be made available on my department's website.

Before I respond to the points raised in the debate, I would like to take a moment to note an important contrast between the current bill and the AusCheck Bill as originally presented in 2006. This bill differs from the 2006 bill when it was first introduced in that, under the current bill, a requirement for background checks would need to be established by separate legislation. Under this bill, the Attorney-General cannot set up a new background-checking scheme via AusCheck regulations. The scope to do that was one of the concerns about the 2006 bill. The framing of the current bill is therefore consistent with the Senate Standing Committee on Legal and Constitutional Affairs recommendations on the 2006 bill.

I note the member for Farrer's concerns—genuinely expressed and well articulated—about the operational provisions in this bill's newly proposed section 8(c), expressing the view that the way it is presently drafted is possibly too broad. The bill is designed to confer on the Attorney-General's Department the capacity to do background checking for national security purposes—and, obviously, this is why the bill refers to national security background checks. Importantly, new national security checks must be supported by

separate legislation. The bill does not in itself allow the commencement of new checks or impose requirements for background checks. Separate legislation will have to be introduced to prescribe such a requirement. If a new requirement for a national security background check is approved and that background check is to be conducted by AusCheck within my department, it will then have to be included in the AusCheck regulations—regulations I will be responsible for. If a background check is not for a national security purpose, it would be within my authority to decline to make regulations incorporating that check into the AusCheck scheme. These regulations would have to be tabled in parliament and would be disallowable.

With specific reference to the proposed paragraph 8(c), I understand that at the time of drafting there was a concern that, because 'national security' does not have a precise legal or constitutional meaning, it was better to refer broadly to the constitutional heads of power that could support such a checking regime. And that is why the definition in proposed paragraph 8(c) draws on both the executive power and incidental legislative and executive power. However, these references need to be read and interpreted in the context that the overarching term being used is 'national security background checking' and against the specific national security related matters listed in proposed subparagraphs 8(c)(i) to (iv). The executive and implied legislative and executive heads of power included in amended section 8 would be read down, and appropriately read down, to that national security context.

I note the member for Farrer is concerned that people with criminal records are being allowed to work on our docks. The maritime security framework, which was established by the previous government and continued by the current government, only excludes

those persons with certain types of convictions from receiving an identification card. Specifically, consideration was given to those types of convictions which were considered to have likely or potential national security repercussions. It should be noted in this context that the MSIC regime was introduced to address terrorism related concerns and not criminality per se. Current security vetting of waterfront employees under the MSIC regime does not necessarily prohibit persons with criminal records from being employed. Essentially, it depends on the particular crime which was the subject of the record. But I should indicate that that framework is being reviewed by the Minister for Infrastructure, Transport, Regional Development and Local Government, so criticisms of the criteria can and will be looked at in that review.

I note that the member for Farrer is also concerned about access to online verification systems being controlled. AusCheck requires an entity seeking access to online verification services to make an application, on the basis of which access can be granted. The processes are governed by the AusCheck manual. In a nutshell, any entity that has control of access to the secure zones in aviation and maritime areas, such as that for which an ASIC or MSIC is required for access, is eligible. There are a number of both private sector and government bodies with those roles, including all issuing bodies that have been granted—for example, Qantas, Virgin Blue, Sydney airport, Melbourne Airport and Customs in its role as an entity with staff assessing these zones, and there are some others. AusCheck approval is required for access conditions because access must be signed for and AusCheck retains an audit log of such access. Nonetheless, I appreciate the sincerity with which the member for Farrer identified these matters. The member for Werriwa spoke of his direct experience of

aviation security control and access processes at Sydney airport. I acknowledge and value the honourable member's practical experience in this area. I note his point that many processes have been tightened and improved in recent years.

In concluding, a background check for national security purposes offers a tool for meeting national security policy objectives, including coordinated and enhanced background checking regimes relating to high-risk industries, and gives greater consistency in control of hazardous substances. A national security background check will provide the capacity for the Attorney-General's Department to conduct background checks to support regulatory regimes focused on identifying individuals who could present a national security risk if allowed access to high-risk places, things, substances or even positions. Where the government decides that a background check should be a national security background check, as I have indicated, separate legislative authority would be required to establish the requirement for such a check.

The bill also amends the act to authorise the use of identity verification information where it is required to verify the identity of a particular individual. A national security background check is a means to achieving greater national consistency in relation to regulation of access to certain things and places for national security reasons. The bill is another important step forward in the government's commitment to improving national security generally and I commend the bill to the House.

Bill read a second time.

Third Reading

Mr McCLELLAND (Barton—Attorney-General) (6.58 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

**HIGHER EDUCATION LEGISLATION
AMENDMENT (STUDENT SERVICES
AND AMENITIES, AND OTHER
MEASURES) BILL 2009**

Second Reading

Debate resumed.

Dr SOUTHCOTT (Boothby) (6.59 pm)—In speaking to the Higher Education Legislation Amendment (Student Services and Amenities, and Other Measures) Bill 2009, I want to talk about schedule 2, which I think most speakers have not touched on. This schedule deals with the extension of VET FEE-HELP. In terms of the costing impact, it is presently based on an application of extending VET FEE-HELP to Victoria. The opposition certainly has no opposition to VET FEE-HELP. In fact, we introduced VET FEE-HELP. In the 2007 budget, the former Howard government and the then Minister for Vocational and Further Education, the member for Goldstein, announced that they would extend FEE-HELP to the VET sector. That bill was introduced in June 2007. Until the introduction of that bill, the VET sector was the only sector offering post-secondary qualifications without an income-contingent loan scheme. We recognised that students seeking an education in the VET sector did not receive the same level of financial support as those seeking an education at university. We believed that students wishing to undertake a VET course should not be deterred from doing so because of the financial pressures associated with upfront fees.

Under the coalition government, the view that pursuing a VET qualification was just as important as pursuing a university qualification was not just empty rhetoric. Under the bill we introduced, FEE-HELP was available to those undertaking a TAFE diploma or an associate diploma, where full fees were

charged and where arrangements had been made for credit transfer to a higher education award and to VET providers that were corporate bodies only. This was the first introduction of a student loan scheme in the VET sector at the national level. The former Minister for Vocational and Further Education, the member for Goldstein, said when he introduced this bill that the operation of the scheme would be monitored carefully and he was of the general view that if this introduction were successful, VET FEE-HELP could be extended further in the future.

When the Victorian government announced that it was going to move to a more demand-driven system in the area of skills and vocational education and training, the federal government announced that it would extend the introduction of income-contingent loans into the Victorian VET sector. I, as the shadow minister for apprenticeships and training, and the then shadow minister for education, the member for Casey, indicated that we supported the federal government's decision to extend the introduction of income-contingent loans into the Victorian VET sector. It is schedule 2 of this bill that has this intent. Unfortunately, the government have put a schedule in this bill that the opposition is not opposed to but they have put it in a bill that also slugs every university student with a \$250 compulsory tax, which we cannot support.

In touching on schedule 1, which deals with the legislation to introduce a \$250 compulsory fee on university students, I strongly oppose this legislation. This \$250 compulsory tax slug on all Australian university students would be indexed to rise with the CPI and it is a clear broken election promise. In May 2007, prior to the federal election, the then shadow education minister, the member for Perth, said:

I am not considering a HECS style arrangement, I'm not considering a compulsory HECS style

arrangement and the whole basis of the approach is one of a voluntary approach. So I am not contemplating a compulsory amenities fee.

How wrong can you be? Wrong on the first, wrong on the second and wrong on the third. What we see is that the whole pattern of university students has changed. We now have more external students than ever before, more international students than ever before, and more people studying part-time at universities. We have large campuses where many students at outlying facilities will never even visit the main union building. There are 130,000 external university students who will be forced to pay for services and amenities that they may never actually see let alone use. Mature age students who attend night classes will have to pay for services that are closed when they are on campus.

When we introduced the legislation in 2005 which introduced voluntary student unionism, I said that students who cannot possibly use the services should not have to pay for them. Students who do not want, do not use or cannot use services or amenities at a university campus should not be forced to pay for them. University students often work several jobs and operate on a shoestring budget. Savings from the introduction of voluntary student unionism enabled students to divert their limited financial resources to goods and services that they decided were what they would like to spend their limited budget on—things like textbooks, social activities and transport. This new fee will put an extra burden on these students' budgets.

My other concern is that there is nothing in this bill to stop the funds raised from this compulsory fee being spent on political campaigns. The only political activity that this legislation prohibits is the support of political parties and the support of a person seeking election to a Commonwealth, state, territory or local government body. This still

leaves a large range of political activities, including funding campaigns against legislation and policies and potentially against political parties. I would like to give members a real example. In 2004, I received a leaked memo which showed that the union board of Flinders University, in June 2004, resolved that the union, jointly with the students association of Flinders University, request the student organisation committee to use its small projects fund to contribute \$8,000 to a cross-campus 2004 federal election material fund, which included information on the importance of preferencing the coalition last. That resolution was moved by a staff member of a South Australian Labor senator. In 2004, the National Union of Students South Australian executive, also in their minutes, showed that they had established a federal election committee, and the then President of the South Australian union, Ms Meagan Hackett, said:

I am asking each campus student union and/or association to donate money to this campaign, to ensure that education remains one of the most topical election issues ...

According to Ms Hackett:

The Flinders University Union has so far committed \$6000 while UniSA will donate between \$3000-6000 as well.

What actually happened was that the National Union of Students put out a letter, using students' money taken without their knowledge, consent or support. In the seat of Hindmarsh, for example, a letter from the National Union of Students, rather than talking about making education 'one of the most topical election issues', urged voters: 'Don't let Simon Birmingham and John Howard take away our future.' That seat was won by 108 votes, and student funds diverted to that campaign may have made a difference in that seat.

In fact, during the six-week period of the 2004 federal election campaign, the National

Union of Students spent over \$75,000 on broadcasting electoral advertisements, over \$40,000 on publishing these electoral advertisements, nearly \$50,000 on producing campaign material like how-to-vote cards, posters or pamphlets, and just under \$90,000 on direct mailing—that is, over a quarter of a million dollars of students' money used in a federal election. It was not core business for students and it was not core business for student unions. It was not delivering services to their members; it was assisting the federal Labor campaign. To emphasise the point, the mailing address for the electoral return for the National Union of Students was care of Trades Hall, Victoria.

My concern with this legislation is that there is nothing in it to prevent the money again being diverted from student services into political campaigns. There is nothing in this legislation to protect students from rogue student unions. This legislation allows this compulsory fee to be used for student representation, which means that political activities of student unions will be funded by all students whether they like it or not. What is worse is that there will be no departmental monitoring to ensure compliance with the guidelines on how the money should be spent. It will be up to individual students to be whistleblowers. Even then, the minister will have the discretion to determine whether to take any action.

In this parliament it has been the Labor Party, not university students, who have long been the beneficiaries of compulsory student unionism. As I said before, in 2004 the National Union of Students spent \$250,000 of students' money campaigning against the Howard government. I support the right of students to have their say on any issue by protesting or handing out flyers, but such activity should not be funded by students through a compulsory fee. It should not be funded by slugging university students with

a \$250 fee. This activity should be conducted on a voluntary basis and should be paid for by people who support it. Freedom of association is a fundamental tenet of the Liberal Party. It is for these reasons that I cannot support this bill. My fear is that we will see a return of the rorts that characterised compulsory student unionism in the past.

Mr CHEESEMAN (Corangamite) (7.11 pm)—Yet again I rise to speak on a bill that makes me proud; another real Labor bill about human empowerment and greater democracy; another Labor bill about fostering ideas and developing our future leaders; another Labor bill that promotes depth in our culture; another Labor bill that helps people, which will help our society; and, yes, another bill that overturns the nasty legacy of the ideological zealots and killjoys on the other side.

The Higher Education Legislation Amendment (Student Services and Amenities, and Other Measures) Bill 2009 is about putting life back into student life. It is also about re-establishing a culture that fosters leaders, ideas, initiative and, importantly, engagement. This bill will be important in re-establishing basic campus facilities such as child care, food services, sporting options, campus culture and entertainment, but there is also a principled and inspirational side to it, which I believe is most important and which I will concentrate on. I want to say something about this first of all.

Students have often inspired the world. They have in the past and they still do today. It is very important that the basic student representative organisations in universities in Australia are restored. It is important that the spirit of on-campus student engagement is restored. Whilst this legislation does prohibit fees being spent by a higher education provider on supporting a political party or candidate, it allows much better student repre-

sentation and student empowerment. I would like briefly to remind members of just a few of the inspirational achievements of students through history.

Of course, students played a major role in attacking the once rigid class system where it was most in evidence—in those bastions of class in the 1800s, the universities. Students changed educational structures and ideologies in that era through activism and they are still doing it today. Students made education more accessible, more truthful and more productive. But students also changed things beyond education and they changed them across the globe.

Let us look quickly at some of the important moments in history. In American history students played a great role in the antislavery campaigns of the 1800s and early 1900s. Of course, students have played an ongoing role in the emancipation of women. They were involved from the early days and are still involved in working through issues of equality for women and girls right up to today. In South America, starting in Argentina in 1917, students campaigned for important democratic principles, particularly around access to education issues. This led to other such movements right across South America. In the early 1900s, thousands of students in the US were involved in urban social work in the settlement house movement. Students have been historically very important in promoting religious and cultural tolerance and diversity around the world. The importance of this cannot be underestimated. With religious and cultural issues being core sources of war between nations and peoples across the world, students play a very important role in bringing peace to this planet. Students have a very positive and inspirational effect on that area.

Many here would remember the 1968 American student protests and marches,

which were antiwar, pro free speech and pro civil rights. Whilst I condemn the exuberance of some who participated in those protests which led to violence, the intention and the effect of the great majority of students who protested peacefully led to important breakthroughs later on. Students laid the foundations for a lot of what we enjoy today.

Students of course played a key part in the emancipation of black and coloured South Africans and helped found modern South Africa. Often very young South African students fought very hard for basic democratic and human rights; some of course paid with their lives. In Australia, it was students who were at the forefront of the great social movements that led to the end of our involvement in Vietnam, that mindless war born of fear and intolerance. I would also like to acknowledge the part being played today by the National Union of Students and the Deakin University Student Association in their campaigns to improve access to education and campus services.

Many of our so-called rights today are a part of the legacy of student activism. We would not take this for granted and we should not take this for granted, and we should most certainly acknowledge it here today. There have been many great achievements won by the student movement in Australia and around the world over time and I have only just scratched the surface of the history of some of them. We are indebted to the energy of students and student movements. This bill is about rebuilding student representation in Australia.

I now want to cover the history of the legislation before the House today. I have some pointed comments to make about the history of this bill and the motivations of members on the other side and the actions they have taken on this issue in recent years. I believe these actions have been most unfortunate,

bordering on vandalistic. This bill is about overturning a very nasty piece of legislation. We know why the former government abolished student fees. They did it because they perceived that it was to their political advantage. It is as simple as that. The Liberals believed universities were a hot bed of political recruitment for Labor and that Labor were using campuses to recruit support. The Liberals wrapped this view up in a bit of voluntary fees ideology and rammed it through our parliament. I believe that was most foolish. It was a nasty piece of legislation.

The legislation on student fees passed by the former government was based partly on ideology and partly on fear. They feared political debate. They feared student involvement. They feared they were losing the battle of ideas. The guts of it were that the Liberals cooked up the legislation because they were losing the battle of ideas and the battle for involvement on Australian campuses. Rather than participate in the battle of ideas, they decided on the coward's way out. They decided to scuttle the forums. They decided to scuttle the institutions. They decided to carve the heart out of university services and university life. That is what they did and that is why they did it.

The legacy of the former government was almost the death of student life. When the previous mean and tricky government were thrown out by the people of Australia, one of their clear legacies was ghost campuses—where once Australian university campuses were thriving places full of life and fun, they came to resemble dark, old factories that had been long closed. University campuses were gutted of services. Sports clubs were decimated. Debating societies fell apart. Cultural organisations could go longer be funded. Music events dried up. Drama groups had no funding. Political clubs were seen as evil. This was all because the Liberals feared they were losing the battle of ideas on campuses.

The motives were shocking and the legacy a tragedy. That is why the former government did that to student representative organisations. They smashed their budgets and they therefore could no longer deliver many important services. They did it deliberately knowing that they were paralysing student representative organisations. This legislation is about turning that around.

This bill will amend the previous government's voluntary student unionism legislation and deliver a balanced, measured and practical solution to rebuilding student services and amenities. It is about restoring independence, democratic representation and advocacy in the higher education sector. This must be very threatening for those on the other side. Shock, horror! Students will have representative organisations that can organise. Students will go back into their campuses and hear a bit of music and see the theatre again—which, of course, is absolutely wonderful. They might even get a bit of choice at the cafe. They might even have people hanging out, talking about ideas. How could the Liberals take that from students? The member for Higgins spoke on this bill in recent times. In doing some research on this bill and on the history of battles about ideas on campuses, I found a very interesting document, a document headed 'Social Democrats'. It talks about some of the Social Democrats who, in very broad terms, in the 1970s supported the idea of Australian workers working together and that culture also taking place on university campuses. I noted with great interest and enthusiasm that the current member for Higgins, the Hon. Peter Costello, is in fact in the photo accompanying the article. I seek leave to table that article. I think it is an important part of our history.

Leave granted.

Mr CHEESEMAN—I thank the opposition for their cooperation. That is what the former government did to student organisations, and it is very disappointing to see that the member for Higgins, despite his views in the 1970s, continues to attempt to take away the opportunity for students to organise and to work hard to improve their social circumstances on campuses. This is very important legislation. Around \$170 million has been stripped out of university funding because of the previous government. This has resulted in a decline and, in some instances, closure of vital health, counselling, employment, childcare and welfare support services—all very important for enabling students to enjoy their time at university and to be able to access vital services in meeting their needs. There have also been indirect costs, with many universities redirecting funds out of research and teaching budgets to fund services and amenities that would otherwise have been cut.

As usual, Labor is introducing legislation that is best practice. For the first time, we are introducing national access to service benchmarks relating to the provision of information on and access to services such as welfare and counselling services in line with the current requirements for overseas students. For the first time, we are introducing national student representation and advocacy protocols to ensure that students have an independent voice on campus. A set of guidelines will be developed outlining a range of services and amenities for which the fee can and cannot be used. This will include things like child care, health care, and sports and fitness clubs. Importantly, to make sure that the fee is not a financial barrier, eligible students will have the option of taking out a HECS style loan under a new component of the Higher Education Loan Program. The government does expect the views of students will be considered in determining

whether to charge a fee and at what level it should be set, and the government does expect universities will consult with their student body on the types of student services and amenities that the fee will support. There are important measures in this bill, such as the VET FEE-HELP measure, and these have been covered adequately by others speakers.

I want to wind up my speech by pointing out some of the hypocrisy of the other side and to point to a bit of history. Those on the other side who sought to ban student unionism either might have conveniently forgotten this bit of history or are not aware of it. The Liberals move to ban student unionism and to get rid of student services is crass. Let us be honest: universities, in many cases, are how and why many people in this place are here today. The ideas we have in many cases were spawned or developed at university through courses we undertook at university, debates we had and friends we met. In many cases, the people we met at university are the contacts that helped us on the path to this parliament. In so many cases, on this side and the other, this is true.

The man who would be opposition leader, if they begged him, met many of his contacts at university. How many members on the other side went to university? They are nearly all lawyers, so most of them of course did. Almost all of the opposition members went to university and enjoyed the services and the lifestyle, met their political contacts and participated in debates and probably in clubs and societies. When they became MPs and legislated to close down these services, that was absolute ideological madness. It was cowardly, because they were losing the battle of ideas on campus. It was bad for Australia. And it is not just that: I believe that the founding father of the Liberal Party, Sir Robert Menzies, would roll in his grave if he saw such things. Sir Robert was of course a great student representative, having been

president of the University of Melbourne's SRC and active in the Christian movement on campus. Of course, it was way back in 1925 that the very first Liberal Club was established at the University of Melbourne. It was in all likelihood established in a cafe or a venue paid for by student fees. I would almost bet on that.

Debate interrupted.

ADJOURNMENT

The DEPUTY SPEAKER (Ms AE Burke)—Order! It being 7.30 pm, I propose the question:

That the House do now adjourn.

Petition: Toowoomba Bypass Project

Mr IAN MACFARLANE (Groom) (7.30 pm)—I rise to present a petition approved by the Standing Committee on Petitions. This petition calls on the Rudd government to stop bypassing the Toowoomba bypass. I acknowledge at this point the Mayor of Toowoomba and the council, who stepped in behind this project and organised this petition. The work that the council has done, reinforced by the work that I have done as their local member, has seen the Toowoomba bypass project come to this point where the frustration of the local population has brought them to sign 26,602 signatures on this petition. The Toowoomba bypass is an issue which I have worked on since I was first elected to this parliament. The people who have signed this petition have signed it on the basis that they and their families have a very strong desire—in fact, an imperative desire—to see this range crossing built. They see 4,000 heavy vehicles travel through the heart of their city every day, and transport operators who use that route also want to be excused from using the main street of Toowoomba as they traverse the city in the execution of their business.

This petition and these 26,000 signatures are a plea from the people in my electorate to have something done. The reason this petition is necessary is that this Rudd government has gone back on a commitment that was made by our government to build the range crossing. Our government committed \$700 million to build this range crossing. It was in the 2007 budget. We had already spent \$43 million ensuring the corridors and that the planning was done. But one of the first acts of the Rudd government was in fact to swipe away that \$700 million—we do not know where to because we have seen nothing built since. One of the excuses they have used is that the state government does not see this as the first priority. Hopefully this Saturday we will see a change in government in that state and the Bligh government, which has again ignored this road and failed to make it a priority for the federal government, will be swept from power. Hopefully Trevor Watts, who is the candidate for the LNP for Toowoomba North, will replace a cabinet minister who has failed to make this a No. 1 priority—that is, Kerry Shine, the Attorney-General.

If our government, the Howard government, were still in power then this petition would not exist. What would exist would be the road—it would be being built. This petition represents the frustration of the people I represent—people who have stood behind my efforts; people who have stood behind the efforts of the mayor, Councillor Peter Taylor; and people who have stood behind Trevor Watts and Mike Horan, the member for Toowoomba South. They want to see trucks out of their city. It is ridiculous that the largest inland provincial city in Australia, Toowoomba, has trucks traversing its main street—trucks carrying freight and trucks which are all part of ensuring that this nation continues to grow economically. Every truck that goes to Darwin from Brisbane crosses

through the main street of Toowoomba. Every truck that goes to Cunnamulla, to St George or to Goondiwindi goes through the main street of Toowoomba.

This petition has to be heeded. I call on the Rudd government to stop the politics, to stop renegeing on commitments that have been made and to actually think about the people who live outside the cities of Sydney and Melbourne—to actually put politics to one side and to decide that these people, these 26,602 people, get what they have been asking for and get what they deserve. It is time that the politicking stopped; it is time that the range crossing was built.

The petition read as follows—

TO THE HONOURABLE THE SPEAKER AND MEMBERS OF THE HOUSE OF REPRESENTATIVES

This petition of citizens of Australia who travel in the Toowoomba region draws to the attention of the House the inadequate condition of the Warrego Highway, particularly where it crosses the Great Dividing Range and traverses Toowoomba. The existing range crossing is a significant barrier to efficient freight and passenger transport, having steep grades of up to 10% and tight curves that restrict maximum speeds to only 60 to 80 km/h. As a result, the existing crossing barely copes with continually increasing traffic volumes.

There is no effective way to upgrade the existing crossing, because of the constraints posed by the steep terrain and surrounding urban development.

Through Toowoomba, heavy and small vehicles are currently forced to negotiate 15 sets of traffic lights, with a further six sets expected to be installed shortly. Residents and business operators are concerned about safety, noise, air pollution and general disruption to local traffic.

We ask the House to: immediately commit to funding from the Building Australia Fund for construction of the “Toowoomba Bypass” to:

- improve safety for motorists and heavy vehicle drivers;

- provide an efficient route for the transportation of goods to Brisbane and overseas markets;
- provide a safer alternative to the steep gradient of the current range crossing for drivers of heavy and passenger vehicles;
- create a quicker route to Brisbane or to the west, for those not wanting to travel through Toowoomba;
- reduce traffic movements in Toowoomba city.

from 26,602 citizens

Petition received.

Schools: Funding

Mrs D’ATH (Petrie) (7.34 pm)—I rise to talk about the important initiative of the Rudd Labor government of Building the Education Revolution and in doing so committing to deliver a \$14.7 billion boost to infrastructure in our schools. This is the largest-ever investment in infrastructure in schools that has been undertaken across this country, and that is why it is so important that as members of the government and as local members we work with our schools on this initiative. Of course I have been out on a constant basis since this initiative was introduced to talk to schools in my electorate, to talk to P&Cs and to talk to P&Fs about this initiative. I forwarded the guidelines released by the federal government to every one of the schools in my electorate—the primary schools, the secondary schools, the special schools and the prep to grade 12 schools—so they knew what the guidelines were. And if they had questions then I was there to assist them with those questions.

They were also working closely with the state members, and I working closely with the state members to talk to them about how the Queensland government is going to assist in rolling out this major infrastructure work within the schools and supporting local jobs. Of course with such a significant project and

with such tight timelines, which are necessary to support jobs in our local communities that are under pressure right now, there are going to be issues that arise and there is going to be confusion from time to time. That is why it is so important that we work closely with our schools to deal with these problems and to move forward.

This week a particular school, Eatons Hill State School, has come to light in the seat of Dickson. Unfortunately, much has been raised about this school simply wanting to sort out how it can build its hall. I have been to this school, I have seen where the hall is proposed to be built, I have seen the library the school seeks to extend and I have had the opportunity of looking at the plans of the school. I congratulate the school for the work that it has done in planning, in raising money and in getting the grants that it did. But, of course, that was not enough to fully build this hall. It is great that, with this money, we can step in and say that there is additional funding to see this hall completed. However, I am very curious about what the local Liberal-National Party candidate was doing in relation to this particular issue. In the *North-West News* Mr Knox, the LNP candidate, was quoted as saying:

We are working hard to try and resolve it for them, they have been working on this project since 2004 and it is ready to go.

If I were Mr Rudd I would be keen to support a project that is ready to go.

That is fantastic, but who was Mr Knox working hard with to try and resolve this issue? Was it his federal member? Was it the member for Dickson? I know the member for Dickson was aware of this issue. I made sure I specifically asked that question so that I was not going out and doing work that was already being undertaken by the local federal member when I spoke to the principal, so I know that we were both aware of this issue. Mr Knox certainly did not contact me to try

to resolve this issue. If he contacted his federal member, the question has to be asked: what did the federal member do to assist the school in clarifying whether they were, in fact, eligible under the guidelines? What I have to presume is that Mr Knox from the LNP is very much following, in Queensland, the line of the federal Liberals and Nationals—that is, saying one thing and doing another. I think that is extremely disappointing.

What we know is that the LNP in Queensland is about stripping jobs, not supporting schools. This is just rhetoric. There was, I believe, very little work done in supporting this school. I do not believe that in Queensland we would see, under the LNP, any genuine commitment to assisting our schools and assisting the federal government in delivering what it needs to. (*Time expired*)

Lower Lakes

Mr SECKER (Barker) (7.39 pm)—Last week, the release of the draft environmental impact statement on the Wellington weir signalled Labor's hoisting high the white flag over the future of South Australia's Lower Lakes. It sent a clear signal of plans backed by Minister Wong and Minister Garrett to build the weir that will condemn the freshwater ecology of the area. Right from the start, I have been strongly outspoken against the weir in my electorate. For many months now, Ministers Wong and Garrett have been idle onlookers as the parched Lower Lakes cried out for urgent action to save the waterways—action that never arrived. Now, after months of inaction, instead of a plan for water-saving infrastructure we see a plan for a damaging weir.

A weir across the Murray River is not infrastructure. It does nothing to make the river run. It does the opposite. Once you allow seawater into the lakes, it is game over for the freshwater environment. One of the world's great wetlands would be irreparably

damaged. The freshwater on Adelaide's doorstep would be lost forever. Historically, the lakes have been fresh water for 95 per cent of the time. When the Murray flows abated, naturally there was a mild estuarine effect. But to allow a flood of seawater in now is precisely the opposite of what the freshwater lakes need.

I recall a story from my childhood of a brave little Dutch boy who saved Holland from being flooded when he discovered and plugged a tiny hole in the dyke. The premise of the fable is that a small effort could avert a major disaster. The decision to allow a weir in South Australia is akin to shoving the brave little boy aside, grabbing a sledgehammer and making an even bigger hole in the dyke, creating an even bigger disaster. The environmental impact statement released last week also confirms the potential for environmental harm to result from the construction of the weir and the inundation of salt water. That is why I will never agree with those who want to bust down the barges and flood the Lower Lakes with seawater. We must not be seduced by what looks to be the easy option. There is a better way, a smarter way.

University of Adelaide's Dr David Paton has identified alternative strategies for preserving the Lower Lakes as freshwater. They involve the seeding of plants to reduce the acidification of any exposed soils, while preserving the freshwater ecology of the lakes. Instead of continuing their march towards construction of the weir, Senator Wong and Mr Garrett should be talking to Premier Rann about plans to purchase a modest allocation of 30 gegalitres of immediate one-off water to help breathe life into the Lower Lakes. The environmental impact statement is a reminder that the urgent water infrastructure works to improve water flows down the Murray continue to be just a mirage.

Despite years now of me continually bringing to the parliament's attention the devastating situation of the Lower Lakes, it remains the case that nowhere along the Murray-Darling Basin has Labor taken action to commence urgent water-saving infrastructure that could help the Lower Lakes. Some 1,200 billion litres of water which could be saved is being wasted through government inaction. Instead, Labor is supporting the construction of the controversial north-south pipeline in Victoria that will drain at least a further 75 billion litres of water from the struggling Murray River system. That water will go to Melbourne for residents to flush their toilets, water their gardens and fill their swimming pools. I, along with my fellow South Australians, continue to despair at the limp response from the federal government to the Lower Lakes crisis.

It was the coalition which unveiled plans in early 2007 to invest \$5.8 billion for water infrastructure. Minister Wong sat on that money for months, doing nothing while the Lower Lakes continued to deteriorate. Where was the Premier in 2007 when the coalition was trying to finalise water reform? He was working with Kevin Rudd and the Labor premiers to delay the national water agreement. Premier Rann's threat of High Court action against Labor in Victoria is also a slap in the face for Senator Wong's authority to deliver on national water reform. The Premier from Senator Wong's own state has walked past the federal water minister's door on his way to the High Court, or maybe she refused to see him in the same way she has refused to meet with the Murray-Darling Basin delegation for months now. Now we face the prospect of the national water agreement unravelling as the Labor premiers fight amongst themselves over water rights. The coalition promised a genuine national water agreement. Kevin Rudd weakly gave

in to the Victorian Premier and stalled on real water reform. (*Time expired*)

Economy

Mrs IRWIN (Fowler) (7.44 pm)—Just on a year ago, following the 12th interest rate rise and amidst a great deal of talk about the dangers of inflation, I told the House of the effects of high interest rates on housing affordability in Western Sydney and, along with other Western Sydney members, warned of the effects of mortgage stress. How things can change in the course of a year! But while home interest rate relief is beginning to have an effect on the housing market in Western Sydney, we have seen a dramatic collapse in the labour market over that same time.

Since January 2008, the adult unemployment rate in the Fairfield-Liverpool area—covered by my electorate of Fowler—has more than doubled from 5.2 per cent to 11 per cent. Youth unemployment in the same time has grown from 25 per cent to 38 per cent. In many ways the causes of those high levels of unemployment can be traced to the impact of high interest rates that were in place until late last year. The seeds of recession were well and truly sprouting in Western Sydney over a year ago, long before anyone spoke about the subprime lending crisis.

In my budget speech to this House last year, I relayed the comments of the late John Button on how our economic advisors can get it so wrong when they rely on national economic figures rather than looking at the impact of policies like high interest rates on local economies such as that of Western Sydney. So as we look at the strategy behind the government's stimulus package, I would strongly suggest that policymakers consider the impact on areas such as Western Sydney.

The stimulus package that is being rolled out by the government can be of great assistance to the economy of Western Sydney. Programs which will boost new housing and

programs which will see new social housing and the renewal of many existing units of social housing in areas like Western Sydney are most welcome, as are repairs and improvements to our schools and other improvements to our community facilities. Cash payments to pensioners, parents of school-aged children and taxpayers earning less than \$100,000 a year, as part of programs which commenced late last year, will go directly to the economy of Western Sydney. The area will also benefit from grants to insulate homes and to assist with the installation of solar hot water. These are most welcome in older parts of Western Sydney; and, as well as providing an employment boost in the short term, they will provide energy savings in the years ahead. These and other local programs have the potential to provide a boost to employment in Western Sydney at a time when it is most needed.

While the economic outlook continues to be uncertain, these measures will at least provide some degree of relief for a region which has effectively been in recession for most of the past year. But as we assess projects as part of this package, it is important to consider the regional employment that flows from them. There are always plenty of grand ideas that either cannot provide an economic stimulus in the immediate future or can provide very little local employment, and should therefore be avoided. But compared with the do-nothing approach of the opposition, it is a package which will not only keep people in jobs but also provide much needed social housing, better education facilities and all-round improvements in our community.

While the opposition worries about our grandchildren, I think about the 38 per cent of teenagers looking for work today in the Fairfield-Liverpool area. I know it is jobs that their grandparents are worried about. The opposition would rather see our building trades and material suppliers lying idle while

our schools are in urgent need of maintenance. They would prefer to see our social housing stock fall into disrepair rather than invest in improvements when the resources are available to bring them up to standard. The same people who wasted so many opportunities during their 12 years in office now want to waste the lives and hopes of working people in Western Sydney and across Australia.

Defence Capability

Mrs MIRABELLA (Indi) (7.49 pm)—I rise this evening to talk about a very important matter that goes to the core of government's role, and that is Australia's defence capability. Defence needs to be deployable, equipped and supplied to do its job. In order to be deployable, equipped and supplied to do its job, Defence needs some sort of indigenous capacity for local manufacture—it just makes sense. Defence is not like any other arm of government or any other government department—the member for Charlton sitting at the table opposite knows something about defence procurement. If our forces are to have certainty and the quality needed to do their job then we need to ensure that our government takes specific steps to ensure that we retain some sort of indigenous capacity. If we do not, and we outsource everything overseas, then we may as well give the game away.

We cannot rely on some bean counter in Canberra to say, 'It is cheaper in China; let's go offshore.' For Defence, this is too simplistic and it is far too dangerous. Take, for example, the product that I am very proud to say is manufactured in my electorate by Bruck Textiles. They are in Wangaratta and they are not going offshore—one of the few textile manufacturers who have consolidated their position over the last few years in difficult circumstances that have seen other textile companies go by the wayside. They pro-

duce the camouflage material that is used by our forces. It is a chemically treated fabric and it has certain spectral qualities.

Imagine if this sort of product were produced overseas. The spectral qualities in the fabric give security to our men and women, who give of themselves and put themselves in danger overseas. How could we be certain that an overseas supplier would never use the information contained in that technologically advanced fabric against our men and women? To a soldier, certainty in the quality of the equipment they use—from the electronics to the uniform—is very important. And it is very important for them to know that our enemies and potential enemies do not have that information.

We would be absolutely foolish to allow the exportation of entire industries overseas. I am on the record on this. Even before I was elected, I campaigned very heavily and argued quite strongly on such an issue. I was pleased to be supported by and to work together with the then candidate for Farrer, Sussan Ley, and Sharman Stone to fight to retain an indigenous capacity to produce propellant in Australia. That has indeed come to pass and the plant at Mulwala is being built.

But we need to know what the government's position is on Australian workers supplying Australian diggers and emergency services with fabric made in Australia. Do the government agree with their ACTU mates that they do not want to wear foreign made uniforms? I have to tell you this: any soldier fighting for their country would expect to wear a uniform of that country, not one made in communist China.

I am very proud that we have a textile company like Bruck Textiles. They are innovative. They have acquired other businesses whose capacity has disappeared, who have fallen by the wayside. Bruck are prepared to

take up some of the slack in other businesses that are currently in trouble and I am very proud that they have made the hard decisions over the years to do that.

Pacific Brands have taken \$17 million of government handouts and are now going overseas. The question for the government and for other companies like Pacific Brands is: are Pacific Brands true to their word that they will engage with any genuine buyer of the business divisions with manufacturing sites that are earmarked to close? If they are, they should stick to their word, and the government has a responsibility to ensure that the assurances Pacific Brands have given are genuine. The government needs to give assurances and to make it a high priority to recognise the strategic importance of defence and emergency services textile manufacturing. This government needs to support Australian businesses within our nation which want to grow our jobs, and not reward companies like Pacific Brands who take jobs offshore. (*Time expired*)

Fremantle Electorate: Beeliar Regional Park

Ms PARKE (Fremantle) (7.55 pm)—One of the environmental treasures of the Fremantle electorate is a string of lakes and remnant bushland that is called the Beeliar Regional Park. It is one of the last remaining wetland areas in metropolitan Perth and as such it is both a much loved community resource and also a critical habitat for native and endangered fauna and flora. Some 120 species of bird populate the area, 24 of which are uncommon. This includes two endangered bird species, the peregrine falcon and carnaby's black cockatoo; an important national migratory bird, the rainbow bee-eater; and rare, timid birds like the buff-banded rail and the spotless crane.

The range of migratory birds that frequent these wetlands encompasses species pro-

ected by various international agreements consistent with the Convention on the Conservation of Migratory Species of Wild Animals, and I am aware that the North Lake Residents Association has raised this matter with the Joint Standing Committee on Treaties. In addition to the birdlife that depends on this park, there are many native animals that rely on it as both a habitat and breeding ground, including the endangered lined skink.

The wetlands also feature 223 local plant species, four of which are listed in Western Australia as being endangered. When you consider the vitality of the wetland ecosystem, it is no surprise that it is a place of very substantial importance to the traditional owners of the land, the Nyoongar people, who have lived in contact with this area for thousands of years. I have met with Nyoongar elder Patrick Hume and assisted him in his efforts to seek a protective declaration for the wetlands under the Aboriginal and Torres Strait Islander Heritage Protection Act. North and Bibra Lakes, which are at the northern end of the Beeliar Regional Park, are currently listed on an interim basis as a national heritage place on the Register of the National Estate of the Australian Heritage Commission because of their environmental significance.

Now all of this precious heritage is under threat because the new WA state government is set to build an entirely redundant road straight through the middle of the wetlands, dividing North and Bibra Lakes. This is despite the fact that it will effectively be a road to nowhere and despite the fact that a previous environmental assessment rejected the construction of the road. The WA Environmental Protection Authority assessed the proposal for a freeway extension through the Beeliar Wetlands in 2003 and reached the view that such a road 'would be extremely difficult to be made environmentally accept-

able' and 'would lead to the ecological values of the area as a whole being diminished in the long term'. It concluded that 'every effort should be made to avoid this'.

In 2006, the then Labor government of Western Australia completed the intersection of the Roe Highway and the Kwinana Freeway with the construction of Roe stage 7. The plan for a Roe stage 8, in which the Roe Highway would continue west to link with the planned Fremantle Eastern Bypass, had long since been abandoned, not least because the bypass had itself long been abandoned and removed from the Metropolitan Regional Scheme. The Barnett government, elected late last year, has unfortunately decided to resurrect Roe stage 8 even though it accepts that the Fremantle Eastern Bypass is dead.

I am led to believe that Roe stage 8 is opposed by the new Liberal member for Jandakot, Joe Francis, whose constituents are also my constituents. They will suffer the construction and ongoing consequences of this expensive, pointless and destructive road. I look forward to hearing Mr Francis take up the case loudly on their behalf.

There are a number of valiant, tireless community groups in the area who have fought to protect the wetlands and lakes area and to oppose this road for more than a decade. I have mentioned the North Lake Residents Association, whose convenor, Joe Branco, has put his heart and soul into the fight for years. His group and others are now working together under the umbrella of the Beeliar Heritage and Conservation Council, and I encourage interested Australians to view their excellent website: savebeeliarwetlands.com.

When it comes to urban and transport planning in Western Australia, we desperately need to look to the future, not the past. We do not need to build more roads to nowhere and we certainly do not need to de-

stroy those few rare pieces of environmental and Indigenous heritage in the name of yet another six-lane road. We do need to use the roads we have more intelligently and we do need to explore ways to decrease personal road use and road freight. The WA Carpenter-Gallop government achieved a 1,200 per cent increase in the number of containers moving through the Fremantle port by rail between 2002 and 2006. The Rudd federal government is investing \$1.3 million in network intelligence infrastructure and freight traveller information to improve the efficiency of freight vehicle movement into the port. This is the future. Roe stage 8 is the past.

The DEPUTY SPEAKER (Ms AE Burke)—Order! It being 8.00 pm, the debate is interrupted.

House adjourned at 8 pm

NOTICES

The following notices were given:

Ms Gillard to present a bill for an act to amend laws, and deal with transitional matters, in connection with the Fair Work Act 2009, and for other purposes. (Fair Work (Transitional Provisions and Consequential Amendments) Bill 2009)

Mr Bowen to present a bill for an act to amend the International Monetary Agreements Act 1947, and for related purposes. (International Monetary Agreements Amendment Bill 2009)

Ms Roxon to present a bill for an act to amend the Therapeutic Goods Act 1989, and for related purposes. (Therapeutic Goods Amendment (2009 Measures No. 1) Bill 2009)

Mr McClelland to present a bill for an act to amend the Evidence Act 1995, and for related purposes. (Evidence Amendment (Journalists' Privilege) Bill 2009)

Mr McClelland to present a bill for an Act to amend various Acts relating to law and justice, and for related purposes. (Law and Justice (Cross Border and Other Amendments) Bill 2009)

Mr McClelland to present a bill for an act to amend the Native Title Act 1993, and for other purposes. (Native Title Amendment Bill 2009)

Mr Martin Ferguson to present a bill for an act to amend the Offshore Petroleum and Greenhouse Gas Storage Act 2006, and for other purposes. (Offshore Petroleum and Greenhouse Gas Storage Legislation Amendment Bill 2009)

Mr Bowen to present a bill for an act to amend the law relating to banking, insurance and superannuation, and for related purposes. (Financial Sector Legislation Amendment (Enhancing Supervision and Enforcement) Bill 2009)

Dr Kelly to move—

That, in accordance with the provisions of the Public Works Committee Act 1969, the following proposed work be referred to the Parliamentary Standing Committee on Public Works for consideration and report: Construction of housing for Defence at Yamanto Hills, Ipswich, QLD.

Dr Kelly to move—

That, in accordance with the provisions of the Public Works Committee Act 1969, it is expedient to carry out the following proposed work which was referred to the Parliamentary Standing Committee on Public Works and on which the committee has duly reported to Parliament: Enhanced Land Force Stage 1 Facilities Project, Lavarack Barracks, Townsville, Queensland, and other Defence Bases around Australia.

Mr Hayes to move—

That the House:

- (1) recognises that a major bottleneck in the rail freight network currently exists in the south west of Sydney, where freight trains share existing rail lines with the Sydney metropolitan passenger services operated by Railcorp;

- (2) notes that the Australian Rail Track Corporation (ARTC) Ltd has commenced construction of the Southern Sydney Freight Line (SSFL) which will provide a dedicated freight line for a distance of 36 kilometres between Macarthur and Sefton;

- (3) acknowledges that the SSFL is an essential piece of infrastructure that will significantly benefit the economy of New South Wales (NSW), in particular Sydney;

- (4) supports the concerns of the local residents who reside along the rail corridor between Casula and Liverpool who currently experience excessive rail noise and who are concerned about the noise and the environmental impacts related to the SSFL;

- (5) understands that residents along the rail corridor between Casula and Liverpool expect suitable sound abatement measures to be provided to protect their quality of life and wellbeing;

- (6) appreciates the current conditions of approval to not allow for the construction of sound barriers by the ARTC as part of the SSFL project along this corridor; and

- (7) calls on the NSW Government and the ARTC to examine the mitigation of all excessive rail noise as part of the SSFL project and review the existing conditions of approval that do not allow the construction of sound barriers along the rail corridor between Casula and Liverpool.

Wednesday, 18 March 2009

The DEPUTY SPEAKER (Ms AE Burke) took the chair at 9.30 am.

CONSTITUENCY STATEMENTS

Fadden Electorate: Student Leaders

Queensland State Election

Mr ROBERT (Fadden) (9.30 am)—I rise to acknowledge the new student leaders within the schools of Fadden. Australia's young leaders play an important role in setting a good example by acting responsibly and indeed making positive choices. What is encouraging is that these leaders have been selected by their schools and, in many instances, by their own peers for their potential to make a positive and lasting contribution to their school communities. We all know that Australia needs great leaders and much more will be demanded of these leaders in their schools today and in their communities tomorrow.

Let me acknowledge from Arundel State School the 2009 house captains: Kiana Banchetti, Jovana Cakovan, Hamish Gray, Tyson Mayfield, Cameron Olivieri, Pascal Reisch, Chloe Walkerdene and Jordan Woods. The house vice-captains are: Shakaia Angel-Werahiko, Jye Cawley-Silva, Caesar Kuresa, Jordan Lesa, Jacob Robin, Devan Simpson, Monica Treble and Claudia Wilkie. The student councillors are: Zach Agnew, Samantha Brida, Stella Caroz, Mirakai Conroy, Brenna Dadd, Rachel Dyba, Taylor Fitzsimmons, Sinead Flanagan, Nathan Greenup, Nicholas Hopper, Jessie Kemp, Ebonie McLennan, Lachlan Ottley, Jemma Pearl, Dylan Rovere-Bray, Eve Rushmer, Daniel Scherger, Mackenzie Stanbrook, Gemma Taktikos, Kate Wagstaff, Sarah Wagstaff and Antony Warne. The student representatives are: Tayla Evans, Adam Horrigan, James Hunt, Ji Seop Jung, Jack Kearsley, Natalie Koh, Joel Underwood and Lucy Weston. I acknowledge from Helensvale State High School, the house leader, Cameron Wills; Coombabah State School, student councillors from 5C, Austin James; and from Saint Stephen's College, prefect Ashleigh Dunlop.

On another matter, the Queensland state election will be decided this Saturday. Anna Bligh has pledged \$60 million for a new stadium at Carrara, as though the answer to all questions is a new stadium. Yet we know there are 35,000 people languishing on hospital waiting lists and that there are 156,000 people waiting to get on hospital waiting lists in Queensland. You could fill this proposed new stadium 7½ times with the people on Queensland's hospital waiting lists. I am from the Gold Coast and I desperately want to see an AFL stadium. I will move heaven and earth to secure the funds needed, from wherever we can get them—short of Ruddbank or indeed 'Kevlani Bank'—so we can build an AFL stadium so that the GC17 team has a place to play and a great stadium to call home. The Springborg government will do everything it can, once it gets the books, to find the money to pay for it. But there are 35,000 people on hospital waiting lists and 156,000 people waiting to get on the waiting lists. We could fill a stadium 7½ times with people who desperately need care. When it comes to priorities, I think the answer is people's health—the health of women, children, old people and young people. That must come before football.

Bennelong Electorate: Australia-China Research Centre for Wireless Telecommunications

Ms McKEW (Bennelong—Parliamentary Secretary for Early Childhood Education and Childcare) (9.33 am)—Earlier this month I had the pleasure of joining Dr Cao Jianlin, Vice-Minister, Ministry of Science and Technology from the People's Republic of China, in launching the Australia-China Research Centre for Wireless Telecommunications. This is located at the CSIRO's ICT Centre in Mansfield in my electorate of Bennelong and it is a great collaboration, led by the CSIRO and the Beijing University of Post and Telecommunications. It means that senior scientists, postdoctoral fellows and PhD students from both countries will be coming together on research projects of global significance. It is indeed a great partnership and opportunity for technological exchange between both China and Australia.

The focus will be on developing technologies for the wireless and mobile communications networks of the future: advanced antennae, signal processing, algorithms and network protocols. The aim of the research is to translate the outcomes into applications for the world market, creating new jobs and indeed new industries. One of the centre's early goals will be to develop energy efficient, green base stations for wireless technologies. The aim is to develop smarter technology to decrease the power consumption of base stations, thereby reducing the overall impact on the environment—a very timely initiative.

One of the demonstrations that I observed at the launch showcased the Wireless Ad hoc System for Positioning device, or the WASP, as it is known, whereby tiny electronic devices are placed on individuals or objects, which then allows wireless tracking and monitoring. The CSIRO's Dr Andrew Hellicar gave assembled guests really quite a fascinating insight into the many applications of this.

Another demonstration involved looking at gigabit wireless technology which allows high-speed transmission of large image and data files. This in time will allow a remote radiologist, for example, to access high-resolution X-ray images or CT scans or even assist in diagnosing or treating a patient in another hospital or a town. This is the telemedicine of the future, and it will make possible the very best treatment for people all across the country.

The CSIRO's terahertz imaging technology was also profiled. That allows for the identification of concealed items, with implications for improved security through bomb detection and improved scrutiny in the aerospace industry generally.

I would especially like to acknowledge the research director and leader of the broadband wireless team, Dr Jay Gwo. He is showing great leadership in bringing this team together. I am very, very proud that this team of extraordinary scientists—great intellectual talent—at the CSIRO are working in my electorate and that I was able to observe firsthand their endeavours and their successes.

Swan Electorate: Esther Fiesta 'Fight Against Drugs' Fun Run

Mr IRONS (Swan) (9.36 am)—Today I am going to talk about an impending event in my electorate which is part of the South Perth Fiesta, which I recently spoke about in this place. The event, to be held on 29 March 2009, is the Esther Fiesta 'Fight Against Drugs' Fun Run. It will be a five-kilometre walk or run along the South Perth foreshore, including prams and wheelchairs. The run is for individuals and corporate teams of five. It will start at 8 am at Mends Street jetty in South Perth. Registration will start from 7 am, and the flyer I have says

that presentations will be at 9.30 am. Hopefully I will make the presentation in time! Children under the age of 12 can enter for free, so it is a real family event. I encourage as many people as possible to get along. There are five prizewinner categories for both men and women in this event. I just managed to qualify for the over-45 category.

I would now like to tell you a bit about the Esther Foundation, which is running this event, and where the funds raised will be going to. The Esther Foundation operates a women's health and development program through seven residential premises in South Perth, housing more than 35 women and their children. The program is full time and offers extensive support and assistance to young women in a safe and structured environment. The broadly structured program facilitates specific group and individual counselling for the following issues and concerns faced by young women: substance abuse, sexual and emotional abuse, domestic violence, mental health, teenage pregnancy, self-harming, suicidal ideas, eating disorders, family breakdown and depression.

The Esther Foundation's motto is 'Restoring lives in need'. The mission statement of the foundation is very powerful, and I would like to read it to you:

"To encourage and empower individuals in need to attain their full potential"

The central objectives to achieving the Esther Foundation mission are:

- To reach out to young lives in our nation that are broken or poor of spirit, offering residential support and assistance toward the restoration of their lives through an extensive recovery program.
- To restore and reconcile family members into healthy relationships with each other and provide advocacy and support to bring children back into the care of their parents/families.
- To provide a solid and safe foundation for the recovery process to begin in an individual's life, bringing them to a point where they become contributing members of our community; through education, life-skill training, personal development, creative arts, employment, mentoring and by providing leadership skills.

... ..

This is a fantastic program that has returned the lives of many young women since 1994. This program takes six to 18 months, depending on the prospective participant's circumstances. I would like to talk further on this subject but time limits me. I am sure I will use a longer time-slot in the future to give many more details on this fantastic program. I would like to thank the people who run this program. Thanks to Tina Damasco, who is listening, for alerting me to this fun run. I again encourage all local residents to participate in this event.

Sri Lanka

Mr MURPHY (Lowe) (9.39 am)—Today I again speak about the devastating humanitarian crisis in Sri Lanka. The Minister for Foreign Affairs, the Hon. Stephen Smith, has called for a diplomatic solution to the conflict in north Sri Lanka, noting that military means alone will not solve this dispute. I share the minister's view that violence is not the solution to this protracted humanitarian disaster in Sri Lanka. As you know, Madam Deputy Speaker, I have spoken about this conflict on numerous occasions in this place. Only political will and not military might will resolve this conflict.

In my electorate of Lowe a large Tamil community is appalled and aggrieved at the human toll of suffering which is ever increasing. The violence that many of my constituents have been witness to is beyond comprehension and the continuation of the violence in this decades-

long conflict deeply saddens everybody. The people I represent are seeking international support to resolve this terrible conflict. On this point I think it is worth recording again that the Australian government has contributed an additional \$5 million in humanitarian assistance which will provide essentials such as medical supplies, water and sanitation for those civilians caught in the conflict zones. The \$5 million is on top of the \$4 million of food aid Australia has already offered to Sri Lanka through the World Food Program. I commend the minister for his practical assistance for the innocent civilians caught in the crossfire. I am pleased that Australia has been actively involved in international efforts to assist those affected by the conflict in Sri Lanka. The assistance will be provided through various aid organisations such as the Red Cross, the United Nations and Australian and international non-government organisations.

The allocation of resources, however, is useless if those organisations are hindered by unsafe passage for the affected civilians. When he met with the Sri Lankan high commissioner in February, the Minister for Foreign Affairs clearly conveyed Australia's position that safe access for humanitarian workers is critical and all parties must ensure that humanitarian aid is delivered frequently and safely. Further, the minister called on all parties involved in the fighting to make the protection of civilians an absolute priority. Again today I agree with the minister. Every effort must be made to avoid civilian casualties. Too many lives have been wasted; too many victims have suffered so much. A genuine ceasefire adhered to by all parties is pivotal to any successful diplomatic negotiation.

Again I bring this matter to the attention of the parliament on behalf of my constituents and repeat the call for cooperation among all parties to work towards an orderly coexistence which will bring lasting peace to Sri Lanka.

Canning Electorate: Letters on Victorian Bushfires

Mr RANDALL (Canning) (9.42 am)—I wish to dedicate my statement this morning to what I call 'kids that care' in the letter-writing campaign for the Victorian fire victims. When Kate Babbage-Russell, a mum of five from Saville Grove in my electorate, approached me with an idea to get local schools to write letters and draw pictures for the schoolchildren affected by the Victorian Black Saturday fires, I thought it was really a great idea. Her children, like many across Australia, just wanted to be able to do something to help kids like themselves that had been affected. A lot of them did not have much money, but they wanted to do something that would really connect them with and show their care for children affected by the Victorian fires.

It is difficult for the community to cope with a tragedy of the scale that has affected so many lives in Victoria, let alone young children, who may struggle to come to terms with the enormity of the disaster. In response to Kate's request, five schools in the local area got involved: Gwynne Park Primary School, Good Shepherd Primary School, Dale Christian College, Armadale Primary School and Brookdale Adventist School. I have seen much of the work that the children did and I want to give a few quotes. The first one said:

We send sorrow to you. We may not be in the same state and have lost the same people, but we will support you to the end. No matter what happens, the rest of Australia will support you all the way through the good and the bad, the best and the worst. You are in our prayers.

That was from Sarah Jane McKay from Good Shepherd Primary School. The next:

I am writing to the helpers. Thank you for helping the poor families that have been through suffering. We are thinking about you and what you have been through. There are good people and there are bad people and you guys are the best. Great job!

That was from Mackey, Gwynne Park Primary School. The next:

We pray for you and your family. We pray for your friends and family that have passed away. We pray and hope that you can smile. I pray that your hearts will heal and that you will live in peace. Amen. Charlotte, Good Shepherd Primary School.

I am extremely pleased that this project has been such a success, with hundreds of letters and pictures sent off last week to the children in Victoria. I would like to take this opportunity to acknowledge all of Kate's hard work in organising the letter-writing project and to thank the schools for participating in such a worthwhile crusade.

I know that schools not only in my electorate but also from Western Australia and all of Australia have the same sentiments and have been doing much the same in terms of their support for the children. For instance, I attended South Halls Head Primary School last Friday. They, too, did what they could. They had a 'golden chain' to raise money for the children of the Victorian bushfires. By putting all their golden coins—their one- and two-dollar coins—in a line, they were able to raise \$500 towards helping the children in the Victorian bushfires area. So I want to congratulate all those children from that school and say what a worthwhile project this is.

Electorate of Rankin: Centre Education Program

Dr EMERSON (Rankin—Minister for Small Business, Independent Contractors and the Service Economy and Minister Assisting the Finance Minister on Deregulation) (9.45 am)—Today in the federal parliament I pay tribute to the wonderful work being done by the Centre Education Program based in Kingston in Logan City, which is in the electorate of Rankin. The Centre Education Program has been operating in the area for 18 years, and it is for children who have been alienated from mainstream education. It provides an opportunity and a place for them to re-engage with learning. The Centre Education Program at Kingston has the personal ethos of Edmund Rice, the founder of the Christian Brothers, and that is an ethos that is inclusive, just, relevant to its time, and centred in the Christian tradition based on the teachings of Jesus Christ. They operate on the basis of four principles: respect, participation, being safe and legal, and being fair dinkum—another phrase for honest. The people who do this wonderful work are Dale Murray, who is in charge of a number of these programs around Queensland—there are about six, and I believe that Dale is extending the program into other states—and, at the school itself, Lorraine Browne and her team, who do a fantastic job.

I have been to the school on several occasions now. They were the beneficiaries of the first round of computers in schools, and that was terrific for them. But they deserve our support, because these young people have had really bad things happen in their lives and, for one reason or another, just cannot cope with mainstream schooling. They may have been excluded from state schools in the local area or maybe they just cannot hack it in mainstream schools. They say to me that the Centre Education Program is their second-chance school. And every time I go there I get really emotional because you see young children whose lives are being put back together and who are being given an opportunity.

These are wonderful people who do this work. I know that they perform a very important service there—not only for the children, who are just terrific kids, but also for the state

schools, because if those kids stay in the state schools there is inevitably some disruption in those schools. I hope that they continue to get support from both levels of government. They have been supported strongly by the government in Queensland and the federal government. They are a low socioeconomic school and so would be in line for funding, hopefully at the end of the year. But I just cannot put into words how grateful we are for the fantastic job that Lorraine Browne, her team and Dale Murray do on behalf of some of the most disadvantaged kids in Australia.

Illicit Drugs

Mr SIMPKINS (Cowan) (9.48 am)—I would like to speak this morning on the matter of illicit drugs. This morning in the *Australian* there was a highly-concerning report on the front page suggesting that the government is pursuing the failed and generally discredited harm minimisation approach to dealing with drugs. I hope that this is not true. Instead, the government should be pursuing the harm prevention approach. I personally advocate the harm prevention approach, which I also call the ‘no surrender’ approach. That, in my mind, includes three main strategies: to stop supply; to educate people; and to rehabilitate users through enforced treatment, either by sanctions or otherwise, and through testing, to make sure that there is actually going to be progress.

I would like to acknowledge the great work done by the House of Representatives Standing Committee on Family and Human Services, with their 2007 report *The winnable war on drugs*—because the day that we think that we can no longer win is the day that we surrender, and I would hate to see that day. The report made a number of recommendations. There are just over 30 recommendations. I would certainly like to endorse the permanent removal of children from drug-addicted parents. I would also like to endorse restrictions on methadone programs and the absolute elimination of funding for harm minimisation programs or harm minimisation publications. I believe that these are important steps forward to address the drug situation in this country.

A lot has been said in the parliament recently about another drug—that being the legal drug of alcohol. The government is pursuing the approach of taxation to try to deal with the issue of binge drinking. I would like to see the day when we pass legislation which would restrict the alcohol content of drinks. If the government is really keen on dealing with this binge-drinking problem it might consider, as some have advocated, raising the drinking age to 21. I am sure that that would be extremely unpopular, but it may help. Ultimately these things are about free choice, but in the case of illicit drugs I think the hard line needs to be taken of harm prevention and never harm minimisation or harm reduction—or, otherwise, surrender to the scourge of illicit drugs.

Newcastle Electorate: Clean Energy Innovation Centre Emissions Trading Scheme

Ms GRIERSON (Newcastle) (9.51 am)—I want to share with the House an important announcement that was made in my electorate of Newcastle in February—that is, that the Rudd government has chosen Newcastle as the location for the nation’s Clean Energy Innovation Centre. This is a wonderful opportunity for the nation and certainly for my region. The centre will support businesses operating in the clean energy field and help them become more inno-

vative, efficient and competitive. It is a \$20 million investment and one that I know is well placed in the city of Newcastle.

We are an area with expertise in energy. We have the CSIRO Energy Flagship, the National Solar Institute, University of Newcastle's clean energy work, a very smart, knowledge based manufacturing sector and extensive infrastructure in business support. So Newcastle is now very well positioned to fulfil the needs of any business in Australia operating in a clean energy sector. It is a big investment in our region—as I said, \$20 million for the centre over four years—but, as my colleague Kim Carr, the Minister for Innovation, Industry, Science and Research, said recently, 'We are doing that because we want to help business keep their lights on during these dark economic times. In the longer term we do want to see those lights being generated by cleaner energy sources.'

I have to digress because yesterday the Lord Mayor of the city of Newcastle rolled out the conservative line that we hear from the opposition every day, that we cannot afford an emissions trading scheme at this time because of potential job losses. That is simply not so. The emissions trading scheme cannot be deferred. It is essential to the future economic prosperity and wealth of this nation. The Carbon Pollution Reduction Scheme as designed by our government will provide substantial assistance to my electorate to support the jobs of today. It will provide free permits to our emissions-intensive trade-exposed industries, and we have plenty of them—aluminium, steel, energy generation and coal. It will provide targeted assistance to businesses as well as community sector organisations, workers and communities. Adjustment funds will support all those major sectors and there is a special adjustment fund. The ETS is designed to deliver reforms and to protect jobs and help transition Australia to a low-pollution economy—something we cannot delay.

In my electorate, the Rudd government is doing everything to protect the jobs of today. It has invested \$580 million into the coal chain, \$300 million plus has been spent in my electorate over the last year and, of course, the stimulus packages keep flowing to our economy. But we are also investing in the jobs of the future—\$25 million for clean coal; \$5 million to our solar thermal project, as part of the National Solar Institute; and \$20 million for the Clean Energy Innovation Centre.

Unfortunately, the debate is being simplified to a situation where it is apparently a choice between the environment and jobs. This is not so. It is about protecting jobs now, creating jobs for the future and increasing the prosperity and wealth of this nation.

Banking

Mr HUNT (Flinders) (9.54 am)—I want to raise with the House my concern for the people of Gippsland, Bass Coast and Phillip Island who have suffered significantly when funds from South Eastern Secured Investments Ltd, a non-bank lender known locally as SESI, were frozen. The *Age* of 14 March 2009 cites the factors contributing to the freezing of those funds held by depositors. Mums and dads, retirees, farmers, small-business owners, young families, major investors and sometimes children with their first savings account are owed \$178 million. The *Age* said:

And when the Federal Government issued a guarantee on bank deposits in the face of the maelstrom enveloping world economies, SESI (and other non-bank lenders) suffered a surge in withdrawals.

In other words, the people of Bass Coast, Gippsland and Phillip Island have suffered directly as a consequence of the ill-conceived way in which the federal government imposed its bank guarantee. It led to a run on the non-bank lenders. SESI was tied up directly. This is not the only cause. It preyed on existing weaknesses, and that will be up to corporate doctors and regulators to examine.

Let me make it absolutely clear that these people—mums and dads, farmers, retirees and sometimes children with their first investment account—have had their funds frozen because an investment company which had its weaknesses, which should be examined independently, was made much weaker, was made worse, by the actions of this federal government.

I want to raise these issues in this House because it was in this House that the government of Australia took the actions which went straight to Bass Coast, Gippsland and Phillip Island. Existing weaknesses were made far worse by the bank guarantee, which did not cover non-bank lenders, was excessive in the levels to which it went and led to a run on, a lack of confidence in and the freezing of investments. These are real impacts with human consequences. Right throughout the Bass Coast, Phillip Island and Gippsland area we have seen families and others struggle with the freezing of \$178 million. I only hope that the money can be recovered. I know there has been some small payback. I express these concerns on behalf of the investors and on behalf of the people of Bass Coast, Gippsland and Phillip Island.

Werriwa Electorate: Ms Jan Nicoll

Mr HAYES (Werriwa) (9.58 am)—I want to take the opportunity today to acknowledge and congratulate one exceptional resident in my electorate who for the past 20 years has given young people in the south-west of Sydney an opportunity for a real future. The individual who deserves this parliament's recognition is Jan Nicoll of Macquarie Fields. Jan, last Friday, was proudly named the winner of the prestigious 2009 University of Western Sydney's Women of the West Award. This is an award that recognises the contribution that women make to the development of our region. The nominations are drawn from a variety of backgrounds including health services, education, local industry, volunteering, environmental groups and government and non-government organisations. This year was no exception, with 15 outstanding nominations being considered. I had the pleasure of nominating Jan Nicoll for this award for her tireless contribution to my local community and her passionate advocacy for young people and families in the Campbelltown region.

Since 1996 Jan has worked as a youth worker for Allawah House, a not-for-profit organisation that provides a safe, secure and caring environment for young women aged between 12 and 17 who are homeless or at an immediate risk of becoming homeless. She has been an integral part of the Campbelltown community and, for many years, her work through Allawah House has been instrumental in changing the life of many young people.

Jan is deeply committed to the wellbeing of the youth of Macquarie Fields, having worked for many families involved in the 2005 riots, providing them with much needed counselling support, and she continues to actively participate in various community projects including Youth Off the Streets. She also facilitates workshops for young adults in my local area.

You do not have to look far to find someone in my community who is prepared to sing the praises of Jan. Not only is she a mother of five; she has also fostered many children over the years through the Methodist and Anglican churches. There is no doubting that her achieve-

ments are extensive. However, it is Jan's use of her own home that best commends her for this prestigious award. Jan has always had an open-door policy at her home. Members of the local community in need often find their way there. She would often go without in order to provide for someone less fortunate than her. Our community is indebted to people like Jan. She is an obvious choice for the Women of the West Award. Jan is a giving and loving human being with a spirit and commitment that has touched the lives of so many people and has given the young people of south-west Sydney a real opportunity and a real future.

The DEPUTY SPEAKER—Order! In accordance with standing order 193 the time for constituency statements has concluded.

HIGHER EDUCATION LEGISLATION AMENDMENT (STUDENT SERVICES AND AMENITIES, AND OTHER MEASURES) BILL 2009

Second Reading

Debate resumed from 17 March, on motion by **Ms Kate Ellis**:

That this bill be now read a second time.

Dr JENSEN (Tangney) (10.01 am)—I rise to speak on the Higher Education Legislation Amendment (Student Services and Amenities, and Other Measures) Bill 2009, which could possibly be referred to as the repeal of voluntary student unionism bill. Here we are talking about heartland Labor dogma. Here we see a Prime Minister doing his best imitation of Marty McFly, leaping into his ideological DeLorean and taking us screaming back to the days of compulsory funding for all sorts of non-core activities, many of which were merely fronts for pro-Labor activism. If Labor really cared about our university students they would concentrate on ensuring that taxpayer dollars spent on tertiary education went to the highest quality of core university responsibility—that is, providing a first-class education. However, instead of education, Labor is revisiting the old chestnut of non-core services, many of which are provided in the general community anyway, such as dentists, child care and sporting and other clubs. Why should university students be able to pay less for playing sport than other members of society?

The member for Wills mentioned a second-hand bookshop. In a captive market for these items, such as on a university campus, surely there could be some enterprising students who could run the bookshop. Maybe they could even—shock, horror!—make a profit. If not, perhaps some students who proclaim so loudly their desire to serve their fellow students could actually organise volunteers to man such a facility for just a few weeks at the beginning of each semester instead of demanding more money to do so. As for campus magazines, once again, where is the spirit of volunteering? Where are the groups of committed student activists who claim to care so much about the various causes they espouse? Can they not use their own time to write student papers, perhaps even getting advertising and then charging for these magazines so that people who are interested can buy the magazines and those who are not interested are not forced to pay for something they do not want? Oh, dear, we are back to that troublesome word again—choice.

Using Labor's logic, female taxpayers should have to support *Woman's Day* and the *Australian Women's Weekly*. The member for Wills also seems to have difficulty with the definition of 'compulsory'. Referring to the Howard government's legislation, he makes the logically incomprehensible statement that it was compulsory to be voluntary. That just shows

what a bind Labor is in with the concept of choice: 'voluntary' is the antonym of 'compulsory'. Our argument is that students should have a choice as to whether they pay for these services, many of which they do not want and will never use. The excuse often floated is that many taxpayers pay for things they will not use or benefit from—people with no children helping to fund child care, for example. That is precisely the reason why many students also work, plus all students who contribute to the federal government coffers by way of GST should not have to pay twice for services, many of which they do not want and will not use.

The member for Wills also sententiously states that the Labor Party supports student organisations and their criticism of government, saying that student unions have been critical of HECS. It would be interesting to see how many issues of the Left were supported by student unions and how many of the Right, like voluntary student unionism, for example. I suggest that any research would illustrate that Labor's policy comes, as usual, from self-interest rather than some phoney concern about the rights of students to self-expression.

The member for Wills then digs himself even further into an ideological hole of his party's making by accusing the Liberal Party of paternalism. He claims that we are saying: 'We know what's best for you. You cannot manage your own affairs.' That is like Courtney Love accusing Olivia Newton-John of being a bit trashy. It is of course the Labor Party which is telling students that they must contribute. It is Labor which is denying the right of students who want the choice of whether or not to contribute. On the other hand, it is the coalition which is saying to students, 'You should have the choice.' The justice and appropriateness of that policy was borne out by those darn pesky students who, when given choice, actually exercised it, and they left student guilds in droves.

In the face of this mass exodus, it would have been intelligent for those organisations to take a good hard look at themselves, to wonder, 'If so many students leave or refuse to join, maybe, just maybe, we're not giving them what they want.' But, no, such introspection is not in the nature of these people. Clearly these organisations are just as paternalistic—or perhaps I should say dictatorial—as their parent body, the ALP. Instead of serving their clientele like any organisation worth its salt, they demand that the clientele pay them for services they clearly do not want. That is another classic characteristic of the Labor Party. Not only is the concept of choice beyond them; so is the concept of supply and demand.

The other big mistake the member for Wills makes is confusing paternalism, which is at least well intentioned, with coercion and dictatorship. When it involves money, it is verging on extortion. If the member for Wills and his colleagues had the slightest intention of even giving honesty a passing nod, they would admit that, as so many on this side of the House have stated, the Labor Party want to force all university students to pay for cosy little greenhouses where the next generation of Labor MPs will be nurtured and trained.

This legislation bears all the hallmarks of discredited and toxic socialist dogma, now resurfacing, masquerading as economically conservative Labor. We have already seen what a total fraud that claim was, and this was yet another wolf-in-sheep's-clothing exercise by the Fabians opposite. The attack on students comes after the initial classic class-envy spite of banning Australian full-fee-paying students from Australian universities while still permitting overseas full-fee-paying students—once again, an example of this coercive, dictatorial, antichoice government actively attacking just one section of our society, those who wish to get an education and are prepared to pay for it.

In truth, as columnist Paul Sheehan said recently, this government is merely a pale version of Labor in the 1970s, 'Whitlam-lite'. Government members clearly long for the heady days when student unions, just like trade unions, could force unwilling and in many cases Liberal-voting students and workers to fund left-wing campaigns. Those campaigns had nothing to do with freedom of expression or fair political discourse and everything to do with getting as many groups as possible, via forced funding, to push Labor ideology. The government longs for the return of the glory days when millions of taxpayers' dollars went via left-wing militant student unions straight to the Labor cause, the halcyon era of bussing students to protests against coalition governments, the happier times of student unions' hard-Left political campaigns when anti-logging, anti-US, anti-Liberal, anti-family, anti-Israel, pro-drugs posters and propaganda adorned every campus.

The member for Werriwa speaks about supporting various amenities and services essential to students. He lists many services which have been cut but omits to mention that many of these services are available elsewhere—health, employment, child care et cetera. I reiterate: why should students have to pay twice for services which all Australians, including the Prime Minister's frequently evoked working families, should have access to, paid for via the taxation system? The answer is that these services are a smokescreen for the real reason for Labor's bill: the revitalisation of the militant activism seen in the seventies and eighties. The member for Werriwa invites members on his side of the House to relate their own experiences of university.

Mr Hayes—No, your side of the House.

Dr JENSEN—I am quite happy to relate my experiences. There were services that I was quite happy to pay for, such as the gym and the tennis court. Incidentally, for example, you had to pay for those services anyway at Melbourne university. You had to pay \$4 an hour for the use of the tennis court—that was nearly 20 years ago. But I was not happy about paying fees for student newspapers and the various societies and so on that I had no interest whatsoever in joining. My wife was a student at Deakin University. However, she was a student at Deakin University in Perth, and it is an awfully long way to fly from Perth to Geelong to get access to student services and the various guild organisations and so on, yet she had to pay for it.

Mr Perrett—Have a look at the legislation.

Dr JENSEN—I am just relating what has happened in the past; these are experiences that we had. I also found it interesting that a member of parliament would admit that virtually all members in this House are university educated, thereby acknowledging that the good old days, when the Labor Party genuinely represented blue-collar workers, are long gone. The corollary of Labor's relentless drive for more and more young people to consider a university education as their right, no matter what their abilities were, is the implication that blue-collar workers were somehow failures because they were not good enough or chose not to attend university. That is a large part of the reason we are seeing a trade shortage in this country. Young people were brainwashed into thinking that they should all go on to university no matter whether it was suitable for their abilities or whether there was a need for those graduates. The universities were happy to go along with the sentiment because it meant more students and more funding.

If Labor really cared about universities, students and the standard of education, they would be more interested in quality rather than quantity. Members on this side have no hesitation in supporting extra funding for universities when it ensures a better quality of education—better libraries, better staff and better laboratories and other resources. Despite the member for Werriwa's assertions, university sporting activity is not, as he puts it, essential for university life unless you are doing a sports related degree. Many students that are active in sports never join a university sporting club. That is their choice—and there is that word again: 'choice', which presents so many problems for Labor. Getting a Labor member to freely and willingly enunciate the word 'choice' in this context is as hard as getting the Fonz from *Happy Days* to say the word 'wrong'. The member for Werriwa also said that food and beverage services were essential to university life. I would have thought that anyone with the slightest degree of business acumen having a captive clientele of the order quoted by the member in his speech, many of whom have time between lectures and tutorials to meet and have something to eat or drink, ought to be able to make a profit from a business selling food and drinks. He reaches the apogee of his argument with a startling claim that money creates diversity. It certainly did not create a diversity of opinion, because, as I have already said, in the heyday of forced funding for student organisations, all the political produce of student union magazines et cetera was of the Left, if not the extreme Left.

However, if the government genuinely believes in supporting these services—counselling, employment et cetera—let them specify funding for these purposes as the Howard government did. That would prove the government is genuine in its intentions and not just interested in taxing students to fund left-wing activism. Sadly, I think anyone holding their breath waiting for that burst of honesty would expire long before it eventuated.

The member for Kingston goes even further with the essential services line of argument, stating that, at some regional and rural campuses, students have no alternative place to go for basic services such as health services. If that is truly the case, surely a competent and caring government would ensure the broader community, not just students, had all the services they needed.

In summary, this bill is all about using the mainly peripheral activities adjunct to the universities core raison d'être as a backdoor way of re-establishing the slush funds to fund left-wing organisations. In doing this, Labor shows that it has no interest in ordinary students, many of whom struggle to meet the cost of educating themselves, especially in this economic climate. Labor claims this bill is to help students. It is funny how help from the Labor Party usually ends up costing everyone so much more money. That has been the track record of Labor over the past several decades. The only difference now is the amount of money Labor policies are costing taxpayers, or, in this case, students.

Mr PERRETT (Moreton) (10.16 am)—I rise to speak in support of the Higher Education Legislation Amendment (Student Services and Amenities, and Other Measures) Bill 2009. Thankfully, this bill is about breathing life back into Australia's higher education sector. It comes as no surprise to members on this side of the House that the coalition's approach to voluntary student unionism ripped the heart out of Australia's universities.

Dr Jensen interjecting—

Mr PERRETT—It is ironic when we hear from people with PhDs obtained at these universities. These were the very beneficiaries of Labor's commitment to education, yet one of the first things they did when they were in power was to attack universities.

Mr Hayes—No gratitude.

Mr PERRETT—No gratitude at all. The government's review of the impacts of VSU found that universities had been left \$170 million out of pocket and, as a result, vital student services such as health, counselling, child care and welfare support services were reduced or cut.

Dr Jensen interjecting—

Mr PERRETT—Those opposite talk about newspapers and the like. But the reality for those who really know what goes on at universities is that health, counselling, child care and welfare services are about saving lives. So many people have troubled times when they go from school to university and they need someone to reach out to them via a counselling service. Ripping \$170 million out of the universities has impacted on so many lives and, unfortunately, in terms of the economic analysis, so many people have not gone on to productive careers because it was not possible to offer them a helping hand because of the Howard government's cruel approach to university students. The Howard approach was to treat universities like sausage factories. But university students are human and need to be treated accordingly. Thousands of employment opportunities for students were also abolished. This also impacted on academic services as universities have been forced to direct funds out of research and teaching to fund services and amenities. That is really the biggest crime. Universities understand that they serve human beings—not widgets or economic units, but people who need to be supported. Because they have to support people, they have to take funds away from research and teaching—those core services that those opposite talk about.

Universities are already under significant financial pressure after nearly 12 long years of neglect where we saw funding ripped out of the higher education sector. The OECD's *Education at a glance 2007* report found that public investment by the Howard-Costello government in tertiary education between 1995 and 2004 declined by four per cent, while in all other OECD countries it increased by an average of 49 per cent. That is shameful, especially when, as the member for Tangney pointed out, so many of the people opposite benefited from the university system. The Howard government has many shameful things on its copybook, but to decrease university funding by four per cent is surely one of the most significant.

Unlike the Howard government, the Rudd Labor government has a long-term, enduring commitment to the importance of higher education and our universities. We have a plan for the future. We believe that education is the way to go. It is not a temporary thing. Education and technology are the way forward for this government. So blinded were the Liberal Party by their ideological opposition to student unions—and we certainly saw how deep that feeling was in the previous presentation by the member for Tangney—that they refused to explore credible alternatives and even ignored the calls from the National Party to allow universities to implement a compulsory student services fee. Barnaby Joyce lives in my home town.

Mr Lindsay—Madam Deputy Speaker, I seek to make an intervention.

The DEPUTY SPEAKER (Ms AE Burke)—Does the member for Moreton accept the question?

Mr PERRETT—No. The Liberal Party even ignored the calls of the Nationals to allow universities to implement a compulsory student services fee. Senator Barnaby Joyce understands. He understands how important regional universities are, and I thought the member opposite would as well.

Mr Hayes—He must have cared.

Mr PERRETT—He cares. He has a heart. He is a decent guy. He lives in rural Queensland and understands what it is like and how important it is to support people, especially from the bush, which is my experience as well. But the Liberal Party rejected the advice not only of Barnaby Joyce but also of experts like the University of Sydney's vice-chancellor, Professor Gavin Brown. Following the passing of the VSU legislation back in 2005, Professor Brown said:

I'm afraid that it's a temporary victory for the redneck Philistines ...

Mr Hayes interjecting—

Mr PERRETT—Do you want me to repeat that, Member for Werriwa? He said:

I'm afraid that it's a temporary victory for the redneck Philistines ...

He went on:

It will be seriously damaging to Australia's international reputation. The fact that no compromise was reached on providing an amenities fee and the emphasis was placed on the idea that the only valid thing that you learn in a university is inside the classroom.

It was very short sighted and very cold hearted. I would have expected more from educated people, but obviously that was not the case. The Liberal Party ignored Barnaby Joyce and ignored Sydney university's vice-chancellor, Professor Gavin Brown. They thought they knew better than university leaders and staff about how to run their institutions.

We saw it today in the comments of the member for Tangney, and I have heard it in parliament: all of those slights from their younger days, those grudges that they bear from when they were juveniles—all of those things were carried on into the cabinet room. All of those slights from campuses from their youth were carried into the cabinet room in the Howard-Costello government. You see it when you see the member for Higgins, Peter Costello, and Mrs Mirabella—so many things are all about slights from when they were upset at university. I say: let it go; move on.

Mr Hayes—Grow up.

Mr PERRETT—Grow up, yes. Have a slightly different approach. But, no, they carried it on into the cabinet room, and so we have that shameful legacy where, compared to other OECD countries that went ahead by, say, 50 per cent, we declined by four per cent.

The Rudd government is about restoring fairness and balance to ensure that student amenities and services are sustainable into the future. This bill gives universities the option—there is that word: 'option'—to collect a compulsory student services fee of up to \$250 per year from 1 July this year, just in time for next semester. Importantly, this fee will be channelled directly into student services, and universities will be able to decide whether to charge the fee at all—as I said, up to \$250—and, if they do charge it, how much it will be. So we do understand the word 'choice' well and truly but we also understand that university students are humans and need to be cared for.

Guidelines will be developed to give universities a clear outline of the range of services and amenities the fee can and cannot be used for. So ignore the rants of those opposite, who are revisiting the slights and grudges from their university days—this is all about fairness and making sure the fees are used for proper purposes. I understand consultation is underway on these guidelines. We expect to see the money go towards services like child care, health care, sports and student advocacy services. So ignore the list put forward by those opposite; this is fair dinkum and will look after university students.

This bill will also introduce national student representation and advocacy protocols to ensure that university students have representation on university boards, giving students a voice on campus. If you talk to anyone at Griffith University, in my electorate, they will tell you the previous government's stance had a negative impact on student services. Even the student union was forced to shut down, putting an end to some crucial student services. As I said earlier, unfortunately such an event can seriously damage people's lives.

Thinking back to my university days, I do say, without any grudge or anything like, that I was not involved in student unions at all. But I think of the people that, but for a helping hand, would have dropped out of university altogether—people that but for a bit of child care would not have been able to access university at all. Over the last couple of weeks, in the light of this pending legislation, I have spoken to a number of students at Griffith University. Even when they were busy with orientation week, they were only too keen to talk about this bill because they know that any fee imposed by the university will go directly to student services. One student told me:

It is going to mean that all students will again have access to counselling services, health services, and academic advocacy.

And under the guidelines, students will have say in the running of their university at the highest levels.

This bill will inject a bit of heart back into campus life by reinvigorating sports and special interest clubs and other services. It is basically about ensuring that there is learning with soul. The previous speaker, the member for Tangney, Dr Jensen, seems to think that learning is just about the empirical acquisition of content. Those days are long gone—the days of just flipping back the head and pouring in the content, and saying that is all you need to get by in the world, are long gone. The information age is now here. We need to be able to process things, and we realise that sports and special interest clubs and all those other activities make for much better students. The days of the sage on the stage are gone. It is now, like teaching, about the guide on the side.

This bill before the House requires higher education providers funded through the Commonwealth Grant Scheme to ensure that students have access to student support services. So you could not put all the money into, say, a rugby union club or something like that; you actually have to provide a range of services to ensure that everyone is supported.

I also welcome the measures in this bill to ensure that the fee is not an added burden to struggling students. Eligible students will be able to take out a loan, similar to HECS, that will enable them to pay their fee. Obviously, the fee will be payable later, once their income improves, as so often happens when people go to university—it does tend to give people the ability to access a higher income bracket.

Part-time students will also be taken into account. Under the guidelines, part-time students will be charged less than the maximum fee, and some will have no charge at all. I would imagine that for some of the external students that will be the case. I should declare an interest here in that my wife is in her last year of law as an external and part-time student at Queensland University of Technology. I should have declared that upfront, I guess. Either way, I am very supportive of this legislation.

I understand that there are some, certainly in the student community, who do not think that this bill goes far enough. I have certainly had representations along those lines in my office, both here and in Brisbane. I am sorry that this legislation is not all things to all people but, like so much of the Rudd government legislation, it is about balance. It is about doing the right thing for the majority of people and it is about restoring common sense to our interactions with people rather than treating them as mere economic units.

As I said, this is a balanced approach and is not a return to compulsory student unionism. This bill makes no change to proposed section 19-37 (1) of the act, which prohibits universities from requiring a student to join a student organisation. The Rudd government believes that students should not be forced to pay over-the-top, upfront fees but is committed to ensuring that university students have access to vital services on campus. I remind those opposite, again, that this will mean that lives can be saved. The pressures of moving from school to university, from the bush to the city, can sometimes be too much, especially for country kids, I would suggest. So they do need a helping hand. They are vital services. I strongly support the approach taken by the Deputy Prime Minister in this bill and I believe that a reasonable contribution will be good for students and for universities.

We should not forget that last year the Rudd government announced funding of \$500 million for the Better Universities Renewal Fund to support IT, science labs and other laboratories, libraries and other student amenities, as well as \$24 million to increase childcare assistance for parents who are studying at university or TAFE. Obviously, this measure is crucial to so many women in giving them an opportunity to change their economic circumstances or to have a career path. I shudder to think of the number of fine minds that might have been denied a chance to have a career but for the support that is given through child care at universities.

This bill also amends the Higher Education Support Act to improve the privacy standards for tertiary admission centres. Relevant student information that is shared between the government, higher education providers and tertiary admission centres will be subject to strict privacy requirements. This is a simple amendment to ensure that the privacy rights of students are protected. It is important that this information is handled delicately. Anyone who can recall their first round of university offers when they left high school will recall that it is an incredibly exciting time—and obviously a sad time for some people—so it is important that we do the right thing with this information to ensure it is not handled incorrectly. Any fair-minded, intelligent person, whether or not they went to university, would understand that the legislation before the House gets the balance right. It ensures that students will have access to the services they need on campus, without imposing a hefty financial burden on those who cannot afford it. As I said, there is a HECS style support available.

This legislation is about hope and about ensuring that we protect the jobs of the next generation and beyond. As I said, those opposite whom I have heard in this debate really need to

get rid of some of that baggage that they acquired at university. I do not know what went on in those Liberal clubs at universities, but there are obviously too many slights, too many grudges. People need to move on—

Mr Hayes—And grow up!

Mr PERRETT—That is right. I take that injection from the member for Werriwa. They need to forget the slights, forgo the grudges and move on and join me in commending the bill to the House.

Mr LINDSAY (Herbert) (10.33 am)—I am disappointed that my good friend the member for Moreton did not take my interjection. He was asking many questions during his contribution today on the Higher Education Legislation Amendment (Student Services and Amenities, and Other Measures) Bill 2009, but the question I want to ask him is a question that the government has not asked: what do the students think about this?

Mr Perrett—I told you. You should have listened to my speech!

Mr LINDSAY—I was not here all the time. What do the students think about this? I can tell you, Member for Moreton, that the overwhelming majority of students do not want to pay this fee, this compulsory tax. As evidence of that, I have three independent former students with me in the parliament this morning, Dillon, Christina and Amelia, who are young Australian scientists and part of Science Meets Parliament, which we all know about. When I talked to them, they were certainly unhappy at having to pay a compulsory fee.

What is happening with this fee is worse than that. Why doesn't it surprise me that it just means more debt for students? The Labor Party went to the last election saying: 'We are economic conservatives. We are more conservative than the Howard government.' Within a year and a bit, the Labor Party has already spent the surplus of the Howard government and gone into massive debt for our kids to pay off, for these young people in the parliament today to pay in future years. We will all benefit; our kids will pay the debt. To think that we are now heading towards \$200,000 million worth of debt in the country is extraordinary.

Think about the Queensland Labor government and what they have done to our state, my state. Think about what they have done.

Mr Hayes interjecting—

Mr LINDSAY—Think about this, Member for Werriwa. They have now racked up \$74 billion of debt. I remind you that the Howard government took 10 years, with the resources of the Commonwealth of Australia, to pay off \$96 billion. How on earth is the Queensland government ever going to pay off \$74 billion, with its resources? The answer is: it will not. Queensland will be in debt forever, and that is the legacy of the Australian Labor Party in our state. That is an awful legacy to leave our kids. 'We'll have a party today and let somebody else pay it off tomorrow.' We need to take tough decisions in this country—it is a difficult time—but the answer is not more debt; the answer is to pay off your debt, to clear your debt. Most prudent households are doing exactly that at this time.

I will get back to the bill. Since the introduction of voluntary student unionism under the Howard government, students have saved, on average, \$246 a year. In times of economic uncertainty, when students face increasing conflict balancing paid work and study, the imposition of an additional tax serves only to increase their financial strain. This bill does not consider the individual wishes of the student—and that is the point I was making earlier. If you

do a poll on any campus, you will find that 85 per cent of students do not want to pay this fee. This bill does not prevent the use of students' money on extremist political causes. This is a broken promise to the tertiary students of Australia. We in the Liberal Party are opposed to this bill.

The Prime Minister calls the level of student debt a national disgrace, yet he intends to increase the debt. How hypocritical is that? He intends to increase it, regardless of the students' financial capacity and regardless of the services they individually use. They in fact may never use any of the services, but they are forced to pay. The government has broken its promise to students. In May 2007 Stephen Smith, the then shadow minister for education, stated explicitly that he was not contemplating a compulsory amenities fee for students, including any HECS arrangements. I know that will make my Labor colleagues uncomfortable today, but it is the truth of the matter. There was a commitment that there would not be a compulsory amenities fee and there would not be any HECS arrangements. Yet that is what this bill proposes.

Labor have broken their promise to one million university students. They decry student debt on the one hand and increase it on the other. The bill takes away from students the freedom of choice given by the voluntary student unionism legislation of the Howard government. As a nation we are entering a time of financial uncertainty and instability. Any measure to increase student debt during such times, through a compulsory levy measure, is a disgrace. Universities are vibrant places, where the use of services and participation in campus life greatly enhance the experience of students. The experience, however, is in no way dependent on the payment of an additional compulsory fee. Since the introduction of voluntary student unionism, students have been able to use their financial resources in areas most applicable to them. They have the choice. This user-pays system provides the best option for students and gives them that freedom of choice.

This bill takes away that sort of freedom. According to its provisions, there is no necessary correlation between what the students pay and what services they use. Section 19-37 5A of the bill defines a student services and amenities fee as an amount paid 'regardless of whether the person chooses to use any of those amenities and services'. Pay up whether you use it or not. That is hardly the real world. What would happen if we ran our households like that, if you had to pay for something that you were not going to use? It is an extraordinary measure. Coercing students into a payment irrespective of the services they use is fundamentally inequitable. I am pleased to see that the member for Leichhardt has joined us. I am hoping that he will support the students of James Cook University in our respective electorates in relation to their absolute abhorrence of this particular bill. I will be interested to see whether the member for Leichhardt is able to agree with me. If he is not, I am sure that the students of James Cook University will note that and mark him down accordingly.

Coercing students into the payment irrespective of the services they use is inequitable. Where voluntary student unionism gives students a choice as to which services and activities they contribute to and are involved in, this bill takes it away. The bill would have an inequitable and unfair effect on students and would take away the freedom of choice brought about by voluntary student unionism. A mandated fee does not consider the difference between individual students such as the amount of time they spend on campus. An undergraduate student engaged in full-time study may spend a great deal of time on the university campus every

week using and participating in a number of services and activities. In contrast, a mature-age part-time student who works during the day and therefore attends classes mainly at night will in all likelihood use far fewer university facilities and services. To an even greater extent a distance education student may only have the opportunity to use university campus services, which would be funded by the compulsory levy, on one or two occasions through a semester. Charging all three student segments the same flat services fee, surely, the Labor Party would have to agree, causes great inequality.

Students are being kept in the dark by the Rudd government. Students have not been told which services would receive the collected tax. The services which will be eligible for funding will be outlined in guidelines after the bill passes. We do not know until the bill passes what services they are. This gives students no opportunity to examine the types of services they will be forced to financially support before the bill passes. The notion that this government could impose a tax on students without first informing them of how it will be spent is outrageous. It ignores students, and this is the point that I started with when I began this contribution. The government has not asked students what they think about it. If part of the collected levy is to be used for associations or activities that are not located on campus or are not substantially used by students, the students deserve to know. The government intends to take away the choice a student currently has in deciding which services and activities to financially support on a user-pays basis. By not informing them what they would be mandated to support, the government is betraying students, leaving them uninformed about where their money will be spent. Students have not been told what will be covered under the student services and amenities fee guidelines. Students have not been told what the government will be making them pay for and whether they will in any way benefit.

The introduction of a mandatory amenities fee does not guarantee that every service and activity offered at universities will be funded. Where does that leave the student who pays the \$250 a year and then has to pay for all the activities they personally wish to be involved in but which are not given the extra funding? It leaves them out of pocket twice over. The issue is not that the students should not pay to be involved in a specific group such as a sporting group; the issue is that the student is already \$250 worse off when they decide the sporting group is of interest to them.

How can the government claim to be concerned with student poverty and levels of student debt when, through this bill, they are introducing an additional financial burden on students? The proposed service levy ignores the personal choices of individual students. Since the introduction of VSU, there have been claims of student services collapsing and of student unions and student associations on the brink of ruin. Well, it has not happened at James Cook University. The student services have continued. In fact, the students have been much happier with the flexible arrangement that was given to them under the former government. Now the iron and taxing fist of the Labor Party will again descend on students at my university in Townsville.

Some services that once were funded by compulsory student union fees are now frequently supported by the university itself, by government funding or by private sector support. Other services which have always received such support have similarly not collapsed. Indeed, the Australian Liberal Students Federation have indicated to me that they are aware of several student unions which have gone so far as to deliberately run a budget deficit in order to claim

voluntary student unionism is irresponsible. Such practices show one of the ways in which a number of student unions do not operate in the best interests of their students, preferring their own political agenda to providing real support for the students they purport to represent.

I speak about James Cook University because it is in my patch. It is interesting that, under the previous arrangement, when there was a compulsory student services fee, the refectory there ran at an enormous loss, despite getting all of the support from the compulsory fee—an enormous loss! And, when the compulsory fee was wiped out, guess what? The refectory ran on a commercial basis, its prices came down, and it made a profit! How could the government be now trying to reimpose a fee that results in that kind of operation of the student refectory? Higher costs, more debt, bigger taxes—what surprises me about the Labor Party?

The ALSF have provided information detailing specifically how the Melbourne University Student Union diverted \$18,000 earmarked for its clubs and societies to pay an additional \$15,000 to the National Union of Students, an organisation which, in the past, has made large donations to political causes. That cannot be denied. That a student would have no say in the direction of their frequently limited financial resources is abhorrent. In 2004, the NUS spent \$250,000 campaigning against the re-election of the Howard government. How would you be if you were a student and your fees were compulsorily used to campaign against one political party or another? I think that that is wrong. The Howard government made that decision, and that is why we went for VSU and that is why we will be voting against this particular bill when it comes time to vote.

During a time when compulsory student unionism remained, students' money was being used for this political purpose without their consent. There was no mechanism for any university student who disagreed with such political views to challenge the donation of money from their university to the NUS. The government claim that they can redress this with clause 19-38(1) of the bill, prohibiting the collected money being spent to support a political party or the election of someone to local, state or federal government. This clause, however, merely applies to student unions or organisations directly supporting political parties or election campaigns, as so flagrantly happened in 2004. There are many other ways in which student unions could spend the money collected from students on political purposes: campaigns against specific pieces of legislation or individuals, or donations to an external group, such as a trade union, to then be used for political purposes could still occur. Under this bill, the freedom of students to choose the political causes, if any, they support and donate to is being revoked. The notion that students could be forced to pay a contribution which may end up funding a political purpose that they are actively opposed to is disgraceful.

I was recently speaking to a student from the Australian National University who told me about an event in 2004 at which the student association at that university provided an effigy of John Howard for students to hit. This was an organised student association event. This was at a time before voluntary student unionism and thus a time before students could choose not to fund such a partisan political stunt. It was at a time when students had to pay hundreds of dollars a year in compulsory union fees which funded such events, regardless of their personal opinion. That is horrifying. I guess a similar situation would occur if the trade union levy on Labor members of parliament were used to support the Liberal Party, with no right to say, 'I don't want that money being used to support the Liberal Party.' It would be the same thing in reverse. That is why we should not be allowing this bill to go through the parliament. For a

student who wanted to stand up and protest about their money being spent on effigies, there was no recourse. This is the state that the Rudd government's student services and amenity fees seeks to return to. The government will not even provide a detailed list of where the money collected from students would be spent. If students wish to hold such events they should be free to do so. They should not, however, be forced to make yearly payments to fund things that they may be individually opposed to.

It was a landmark occasion when the Howard government passed legislation ensuring VSU in 2005. I certainly voted for it; I was proud to stand up and vote for it. The students at James Cook University supported me overwhelmingly in voting for that legislation—and, by the way, in elections I always win the university booth as well, even though universities are traditionally perhaps not supportive of my side of politics. I am pleased that the students of James Cook University have the good sense to support a coalition candidate. The effects of this legislation have seen students save money. Students at James Cook have saved a minimum of \$235 per annum. At the time, Labor strongly opposed voluntary student unionism. With organisations such as the NUS spending a quarter of a million dollars on campaigning against the Howard government, it is not hard to see why. The Labor Party significantly profited from the regime of compulsory student unionism on university campuses. It now seeks to return to receiving such support. Despite claiming the money will not be used to support political parties, this provision would apply only to direct payment to a party. There is no protection from the countless other ways that students' funds could be used in this manner.

It is important to remember that services for students at university campuses have not collapsed; far from it, in fact. The allocation and source of their funding and their organisational structure may have altered but they remain in force and they remain viable and active. Medical and counselling services are still available at most universities. For example, the ANU provides a bulk-billing medical centre for students. A free counselling service is also available to students. Contrary to exaggerated claims that voluntary student unionism would strip such facilities of all funds, they remain available and accessible to students. When the government says its compulsory tax on students is necessary to reintroduce services, it ignores the fact they never disappeared in the first place.

Many university students suffer financial strain during the course of their studies. During this economic crisis I fear for the students being forced to pay this additional money and I fear for their future lives when they have to pay it back, with further debt around their neck. Now is not the time to be going into further debt. Now is not the time to saddle students with a future liability. I appeal to the Labor Party to not take this bill forward but to listen to the students and hear their views. Accordingly, I will vote against this legislation.

Mr TURNOUR (Leichhardt) (10.53 am)—I rise today to support the Higher Education Legislation Amendment (Student Services and Amenities, and Other Measures) Bill 2009. This debate highlights the stark differences between the Rudd government and the opposition: a government that is making practical changes and responding to the needs of the Australian community and an opposition that is ideologically focused, whether on Work Choices or still on student union ballots that went on in the seventies and eighties. We are a government committed to building an education revolution, from the early childhood sector through to primary schools, with our Building the Education Revolution that we announced recently with our Nation Building and Jobs Plan, through to high schools with our trade training centres,

through to the VET sector and through to universities with our commitments there. This legislation is an important part of the overall education support and investment that we are making.

The bill establishes practical measures to support students at universities and introduces a VET FEE-HELP scheme to support more students studying diplomas and advanced diplomas. The legislation is about allowing universities to implement a student services fee of up to \$250, and this can be indexed annually going forward. It allows universities to do that.

The government is very practical about this. It recognises that we are in some difficult economic times and that people may have some difficulty paying this fee. That is why students who have difficulty paying it will be able to access assistance through a new HECS-style loan component of the Higher Education Loan Program, Services and Amenities HELP. In implementing this charge, the university will have an ability to vary the charge depending on whether students are full-time, external or part-time. I studied at university as a full-time student, and as an external student and as a part-time student. Back when I studied in the 1980s, do you know what the university used to do? The university charged a different services rate depending on whether you were an external student, a part-time student or a full-time student. But that is not what the opposition are saying, because they are only interested in a scare campaign on these issues. Universities will take a practical approach to this, as the government has. They want to see this services fee reintroduced.

We have made very clear in our outline on this legislation that the fee will be used to provide important services including welfare programs, counselling, student advice and support, sport and recreation and other important services, in some instances, like child care. These are important services and, sadly, universities—as the member for Herbert and others opposite have pointed out—have continued to provide those services. But they have done that by taking money away from teaching and research to prop up services that are critically important to the universities. They recognise that. That is why, generally, universities did not support the coalition when they implemented their VSU legislation.

This legislation, as I said, is not about an ideological agenda of reintroducing compulsory student union fees, as the opposition continues to seek to assert. It is not about an ideological agenda of introducing student union fees or student association fees. They are expressly not part of the student services charge. The minister has made that clear and members on this side of the chamber continue to make that clear, but members opposite continue to run a scare campaign. Those opposite bring up historical anecdotes from the 1970s or 1980s or even, in recent contributions from the member for Herbert, from that very bipartisan group, the Liberal students association, about the National Union of Students getting moneys in this way. This bill expressly prevents that happening. We need to be honest and upfront about this bill. This bill expressly prevents that happening. It is about providing for a student services charge of up to \$250 to provide welfare services and sport and recreation—those basic services that all universities see as core business for themselves in running a campus that has a community and environment that supports research and supports students getting a decent education.

As I have said, this legislation expressly prevents these charges being used for political purposes. That may not be in the opposition's speaking notes, but they might want to have a look at the legislation and the actualities in relation to this legislation. The charge can only be used for services as outlined in the guidelines. We made clear that the sorts of things I have already mentioned—we are still doing consultation on the guidelines—cannot be used for

student representation services. It expressly prevents that. The bill does provide a framework where we will have student representation at universities, but let us not confuse the two. The \$250 services charge cannot be used for that. That is expressly outlined—

Mr Hayes—The funds are administered by the universities.

Mr TURNOUR—and the funds are administered by the university. So let us not get confused about that. Let us not get confused by the ideological agenda that the opposition is trying to run on this bill. In parliament this week one of the big debates that is going on is about our desire to kill and bury Work Choices—to make sure that Work Choices is dead and buried, as the Leader of the Opposition said it would be when he became leader. That reminds me that not only is the opposition still ideologically committed to Work Choices, they are still ideologically committed to attacking and having these sorts of debates about student associations and student unions.

We have moved on. The Australian community has moved on. People want to see fair workplace relations laws and, in the same way, they want to see universities able to responsibly implement a student services charge to provide welfare services, support and recreation services and, if necessary, childcare and those sorts of basic services that a decent community needs—a community that universities want to be able to support through this charge.

I was lucky enough to go to the University of Queensland and study agricultural science. As I mentioned earlier, I have had experience in paying the student services charge. We had a gym at university and there were a range of other activities. At one stage I had a dispute with a lecturer over a result that I got and knew that I could get some support and advice in relation to that. They are useful and worthwhile services that universities need to provide. Welfare and support services for students who may be struggling are very important. They are certainly services that I recognise were important when I was at university. Similarly, being able to go to a gym, play sport and have those sorts of recreation activities coordinated at university is very important. They save the taxpayer money in the long run. We know that diabetes, heart disease and obesity are real problems for our society, and enabling universities to not have to take money away from teaching and research to provide these services is worthwhile, and that is what this legislation seeks to achieve.

I represent the great seat of Leichhardt—I come from Cairns—and there is Cape York and the Torres Strait. Within my electorate we also have a fantastic university in James Cook University. There is a fantastic campus up there. In a recent ranking of the world's top 500 universities, JCU was one of only 15 Australian universities listed. It has a particular reputation in the biological research area, whether that is about the Great Barrier Reef or tropical rainforests; it has a fantastic medical school that is producing some world-class graduates; and it has a great humanities area as well that is being developed through some investments by the government. There are 3½ thousand students at James Cook University and about 600 staff. Some of the courses offered at the university include dentistry, nursing, midwifery, nutrition, sport and exercise science, Indigenous studies, creative arts and education. The services that we are talking about are critically important to students studying in these fields.

One of the other issues that is critical, particularly in relation to this legislation, to a university like James Cook University is that we have a very high proportion of students studying who are the first children in their family to go to university, so they do not have a history of attendance at university. Some of them come from Cape York or the Torres Strait and may

have come from difficult backgrounds. When the VSU debate was originally going on, when the coalition introduced their draconian, ideology driven legislation to seek to abolish the fee and ban student associations and student unionism effectively, we recognised that, particularly at James Cook University, where students had come from these difficult backgrounds, there was a need for the welfare and other support services.

There is a need to create a community at James Cook University. People can obviously study, learn and research, but they also need to feel that they are in an environment where they are part of a community. The other services—whether it is sport, recreation, child care, having a place to gather, talk and feel as though you are part of a community, having proper representation and involvement of students within the life of the university—are critical, and they are all things that this bill seeks to reintroduce to allow James Cook University to provide them. Creating a community through the provision of these services would allow them—as they have been doing, as the member for Herbert pointed out—to continue to provide many of these services but not have to take money away from their teaching or research funds in order to do so.

There were significant impacts at James Cook University from the former government's legislation. With the changes, as I have said, they had been able to meet some services but there were significant cuts to services at James Cook University, including the childcare centre and some other services. Fifteen jobs were lost when the VSU legislation came in, some welfare services ceased and James Cook University diverted money from teaching and research to maintain some of these services because they recognised that many students at JCU needed particular support. The students travel long distances and they want to become part of a community that these important services provide. Also, if they are struggling and have difficulties, they need to be able to get proper support, whether it is welfare, counselling or advice on academic issues. That can be provided now if we pass this legislation through the House and the Senate.

I have spoken to my local student association about some of these issues and, if we pass this legislation, the university will be able to reimplement a student services charge of up to \$250. I expect universities will have different charges for full-time, part-time and external students, given that that is what happened in the past. They will be able to use this fee to reintroduce many of these services. I understand that at JCU they plan to provide greater support in welfare services. They will be able to boost and reinvigorate their sports and recreation program, which, as I said, is particularly important in creating a community. That boost will ensure we are tackling some of the issues in the broader community, whether it is heart disease, diabetes or obesity. I think sport and recreation is one of the critically important programs at universities and schools to help with lifestyle choices that are good for people in their broader lives, as well as giving them the fundamentally good education that James Cook University provides. JCU will also see whether they should provide some childcare services. That will be up to the university in consultation with their students and their students' association to make those decisions. That is right and proper.

Some members opposite would suggest that we have not said what this fee is going to be used for and that it is going to be taken away for some sort of political lobbying. We think it is appropriate that the decision should be left to individual universities to decide the best way to utilise these funds if they implement this fee. It is the universities who can make the best deci-

sion about what level of fee they can introduce, up to the \$250, which can be indexed annually. As I said, this is not about compulsory student unionism as contended by the opposition; it is not about the reintroduction of that.

The bill also makes some technical changes in relation to tertiary admission centres. To get to university—and I am sure this varies in different states—you apply through a tertiary admissions centre. Admissions centres need to communicate with universities about students who are applying and they need to swap information with each other. This legislation will streamline those processes and make the privacy obligations of admissions centres more effectively fit with those of universities. It will also be useful in streamlining the operations of the university system and enabling young people to get into university.

The bill also introduces VET FEE-HELP, which is a HECS style system for people who are undertaking diploma and advanced diploma VET courses. Students undertaking VET public courses in diploma and advanced diploma areas decreased from 197,000 in 2002 to 165,000 in 2007. Under the former government, students undertaking diploma and advanced diploma courses decreased in number between 2002 and 2007 from 197,000 to 165,000. What was one of the main things we heard? I heard it, I am sure opposition members heard it and I am sure the member for Melbourne Ports heard it. What were people talking about? It was the skills crisis—the shortage of skilled people in trades and other areas such as nursing. These were the areas of diploma and advanced diploma courses that people could undertake to help find jobs.

What did we have under the former government? We had a decline in people undertaking these courses. One of the reasons we have had a decline is fees came in and it became less affordable for people to do courses. The Rudd government is very committed to ensuring that people have the opportunity to get a decent education, and if they cannot afford it then VET FEE-HELP will enable them to study further and provide them with an opportunity to do these courses. This will mean a reverse in the huge skills shortages left to us by the former government. The Rudd government in partnership with the states through COAG is determined to tackle these skills shortages in this country. This is a good example of a practical measure that we are providing through this legislation—which clearly the opposition is going to vote against—to provide for and support people wanting to do more diploma and advanced diploma courses in the VET area. Allowing students to access a HECS style loan scheme for VET courses will enable many more students to study at this level, improving their skills and improving their employment options.

In some occupations, such as enrolled nursing in health and community services regulated by state and territory nursing boards, the diploma course is the minimum qualification. We have heard about skills shortages. I know many of the aged-care centres in my electorate are looking for more enrolled nurses. What we are going to do is provide some help for people who want to study in those areas through a VET FEE-HELP scheme. Wouldn't you think that was a good idea? We certainly do. Does the opposition? I do not think so.

In the business and construction area, diplomas and advanced diplomas allow people to go beyond the trades and technical area. They can move into roles in project management, financial estimating and other managerial roles. So in the construction area, the diplomas and advanced diplomas allow people to move from the trades area into more managerial areas and to advance their technical expertise and knowledge as part of the construction industry. I think

that is a great idea. I think it is a great role for this legislation to provide support for those people, particularly as I am sure many would be mature-age students who want to go back and gain greater qualifications through a diploma and advanced diploma. VET FEE-HELP will enable them to access a loan scheme to pay for those fees while they are doing that study. Many people start and then do not finish because of this issue about paying the upfront fees. This is a fantastic component of this legislation.

This bill is not about any ideological agenda by the Labor Party, the Rudd government, to reintroduce student unionism, as the opposition contend. It is about practical measures to support student services at universities and it is about practical measures to support students who want to do advanced diplomas and diplomas to advance themselves in their own careers or, if they are just studying, to get a job. It is about streamlining some approaches to the process of people applying to go to university. It is a practical bill. That is what this government is about—practical measures to support education. This is particularly aimed at the VET and higher education level but we have measures that go from early childhood through primary school through high school right the way through to the higher education and VET sectors that this legislation specifically deals with.

The opposition opposes our move to tackle the skills crisis, to invest again in education, to gain a real community at universities and to help people out there who are struggling and want to do a diploma or an advanced diploma course. I say to the opposition: get out of the way. We are going to get on with building the education revolution in this country. We are committed to it. You need to sort yourselves out and get back in the business of developing policy rather than opposing everything. I think the Australian people are tired of it. I know the government is tired of it. We are basically looking for an opposition that will support good legislation. This is very good legislation and I commend it to the House.

Mr SCHULTZ (Hume) (11.13 am)—I say to the former speaker: spoken like a true union hack. I rise to speak on the Higher Education Legislation Amendment (Student Services and Amenities, and Other Measures) Bill 2009. The last time I spoke on this matter was when the then Howard government introduced an amendment to abolish compulsory student fees, which was passed by the parliament in December 2005. It should be of no surprise to members of this House that I as a former meatworker and a person experienced on the issue of compulsory unionism again rise to speak against the proposal of the Rudd Labor government to reintroduce such fees that place an added drain on the limited resource of funds that are available to the majority of students that attend university throughout Australia.

This bill proposes to amend the Higher Education Support Act 2003 to allow higher education providers to charge students an annual capped compulsory student services and amenities fee from 1 July 2009; to introduce a new Higher Education Loan Program category for student amenities fees called Services and Amenities HELP, or SA-HELP; to broaden the application of the Higher Education Loan Program category for vocational education and training students, called VET FEE-HELP; and to provide that officers of tertiary admissions centres have the same status and duty of care as those of higher education providers in relation to processing student information.

Whilst I acknowledge that this bill does contain certain other measures, its primary purpose is, from 1 July this year, to allow higher education providers to impose a new tax on the one million university students attending universities across the nation, whether they are full time,

part time, studying on campus or externally. Whether or not they have a need for the services and activities which the \$250 fee is intended to prop up, they will all be hit with what amounts to a new, compulsory annual \$250 tax, equating to \$250 million around the nation taken from students, who can least afford it. The services which may be funded by the compulsory levied fee will be outlined in the Student Services and Amenities Fee Guidelines, which will be tabled in the form of a disallowable instrument after the bill has been passed.

The bill will also require higher education providers to comply with the new Student Services, Amenities, Representation and Advocacy Guidelines. These guidelines will impose obligations on the provider to comply with requirements relating to so-called student representation and advocacy, effectively funding student elections, union offices and salaries. As is the case with the fee guidelines, these guidelines will be tabled in the form of a disallowable instrument after the bill has been passed.

The bill also makes a number of technical changes that will allow students to defer payment of the compulsory fee by accessing a HECS-style loan under a new component of the Higher Education Loan Program called SA-HELP. The bill will include tertiary admissions centres in the regime that governs higher education providers' access and use of student records and information. The bill will also expand the VET FEE-HELP program to increase the number of students who can access the program. Currently only full-fee-paying students are covered. The bill will make changes to expand the types of courses included in the program—that is, diploma courses that do not provide for the transfer of credits to an approved course.

The Rudd Labor government has yet again broken another election promise because it did not include the introduction of a higher education amenities fee in the policies that it took to the last election. Research that I have conducted supports voluntary student unionism and further can provide evidence that voluntary student unionism, commonly referred to as VSU, is working. The RMIT Student Union asserts on its website that voluntary student unionism has led to its advocacy service being scaled back, yet it still finds the money to produce an expensive radio program on 3CR every Saturday morning called *Blazing Textbooks*—

Mr Turnour—Madam Deputy Speaker, I seek to intervene.

The DEPUTY SPEAKER (Ms S Bird)—Will the member for Hume allow a question?

Mr SCHULTZ—No. This radio program is promoted as promoting an 'anti-capitalist perspective on current issues on education from around Australia and the world'. This shows that if student unions were actually focused on providing services that were relevant to students, membership would be much higher and their finances would be in better shape. Furthermore, the Melbourne University Student Union recently stripped its clubs and societies budget by \$18,000, or 24 per cent, in order to fund a \$15,000 increase in its donation to the extreme National Union of Students. Despite their rhetoric, it is student unions themselves that are doing more damage to campus life than any voluntary system could. Compulsory fees guarantee revenue streams to service providers regardless of the quality of their product. There is no fiscal incentive to provide students—

Mr Turnour—Madam Deputy Speaker, I seek to intervene.

The DEPUTY SPEAKER—Will the member for Hume allow a question?

Mr SCHULTZ—You can stand up all day—you will get no satisfaction out of me, mate.

Mr Turnour interjecting—

The DEPUTY SPEAKER—The member cannot ask the question before he is given permission.

Mr SCHULTZ—You blokes do not like the truth—it always eats you up, doesn't it?

The DEPUTY SPEAKER—Will the member for Hume accept a question?

Mr SCHULTZ—No. You can stand up and I will keep saying no. Don't waste your time bobbing up and down!

The DEPUTY SPEAKER—The member cannot knock back a question and then debate it. The member for Hume has the call.

Mr SCHULTZ—Thank you, Madam Deputy Speaker. There is no fiscal incentive to provide students with services—

Mr Turnour interjecting—

Mr SCHULTZ—The one thing I've got over you, mate, is that I work for a living—not like you. There is no fiscal incentive to provide students with services that are attractive, because ultimately wages will be paid regardless of how good or bad the services may be. In 2004, before voluntary student unionism was introduced, Monash University students were compelled to pay an amenities fee of \$428 per annum. This amount was used to fund various items as follows—and I want the parliament to listen very carefully to this: \$238 for administrative costs, \$30 for building services, \$13.28 for clubs and societies, \$22 for sport, \$5.40 for childcare services, 59c for unspecified student services, 49c for student theatre and 28c for food services and subsidies. These figures undoubtedly show the way in which students failed to obtain value for money under the compulsory fee system.

This regressive tax will see those students with low incomes stripped of their power to choose what their already scarce funds are spent on. It removes the choice of students to allocate \$250 to areas they place higher priority on, such as textbooks or sporting equipment. Of most concern, however, is that students will be charged the fee regardless of their capacity to pay. This effectively renders the bill a legislative instrument to introduce a poll tax on university students. It is akin to taxing every member of society a flat, across-the-board rate without taking into consideration one's income.

Enabling students to defer their amenities fee onto their HELP loans does not change the fact that such charges are inequitable. No matter how the fees are collected, students from low socioeconomic backgrounds are less likely to utilise amenities and services subsidised by the fee. It is well documented that some students work multiple jobs to cover spiralling rents and other cost-of-living pressures. As a result these students are less likely to have time to enjoy subsidised membership of ski clubs, rowing clubs or cheap drinks at the union bar than students who are living at home having their parents pay for their textbooks or who are independently wealthy. Unfortunately, these are students who can typically afford such items at the market rate.

The bill precludes students from having a choice about whether or not to pay the fee on the basis of their ability to utilise the services it provides. Students who attend university only to attend classes are unlikely to ever obtain any value out of such fees. Mature age students who work full time and attend night classes will be forced to subsidise the activities of a few. Even more outrageous is the idea that students studying by correspondence, who may never set foot on a university campus, will be charged a compulsory fee for services they will never use. The

government's plan does not allow any exceptions to paying the fee. It is 'no ticket, no start' for university students. There is no legitimate case for why students should be forced to pay for services they may not be able to afford or make use of.

Much of the controversy surrounding the 2005 legislation, and VSU in general, relates to its impact on university sport. Proponents of compulsory fees suggest they are essential to ensure the success of Australia's Olympic team, among other things. The reality is that consumers of services provided by sporting facilities at universities are largely made up of outsiders—that is, people who are not students at the university. It is an outrage that student unions, the Rudd Labor government and the Australian Olympic Committee suggest that struggling students should be subsidising elite athletes, many of whom are already recipients of Commonwealth scholarships and corporate sponsorship deals. In addition, most of Australia's top sporting athletes do not come from university campuses but rather from elite government funded institutions such as the Australian Institute of Sport and state based subsidiaries such as the New South Wales Institute of Sport. These hand picked athletes already benefit from taxpayer largesse and do not require subsidies levied compulsorily from their fellow struggling students.

The legislation fails to ensure that student money will not be spent on political campaigns or mediums that carry political agendas. Notwithstanding the Student Services and Amenities Fee Guidelines, clause 19-38(1) of the bill prevents a higher education provider from spending money as a student services and amenities fee to support a political party or the election of a person as an elected representative in federal, state or local government. Clause 19-67 of the bill, which is entitled 'Special requirements for student services, amenities, representation and advocacy in 2010 and later years', enables the minister to set a minimum guideline that higher education providers must meet in order to obtain Commonwealth funding. These guidelines were released on 19 February 2009 and part 2 of those guidelines is of particular concern.

The National Student Representation and Advocacy Protocols detail requirements for higher education providers to meet the cost of student union elections, as well as independent advocacy services in relation to matters arising under the academic and procedural rules and regulations of the higher education provider. The practical effect of such protocols is that money will inevitably be transferred from higher education providers to student organisations, which will pave the way for inappropriate, profligate spending on political activity.

The legitimacy of the student organisations that will be consulted is extremely questionable. At even the most politically active campuses, prior to the introduction of VSU, turnout in student elections almost never exceeded 10 per cent. At Melbourne and Sydney universities, historically the most political campuses, participation in student elections can be five per cent or less. The idea that an organisation with such a tiny mandate has the broad support of the student body is patently false.

There appears to be no legislative mechanism for the government to control the spending of students' money by student unions. Clause 19-38(3) requires money spent by higher education providers to comply with the Student Services and Amenities Fee Guidelines, yet this does not apply to money spent by student unions. The absence of control over the spending of student unions reveals Labor's true intention with this bill, which is to return to the bad old days of compulsory student unionism. The ability and inclination of the federal government body to monitor each and every item of expenditure by student organisations or universities to

ensure compliance with the Student Services and Amenities Fee Guidelines is extremely low, particularly under a Labor administration.

The Student Services and Amenities Fee Guidelines also carry significant flaws. Allowing items to be funded by compulsory fees will lead to the duplication of services already provided by universities, governments or the private sector, such as health care, child care, academic support and services to assist in securing housing for university students.

Student unions have a history of financial impropriety, corruption and, typically, a lack of popular support from the students. In February of this year, Darren Ray, a former president of the Melbourne University Student Union, was jailed for 20 months in relation to defrauding the Commonwealth of \$180,000 through refunds from false GST claims. Ray also presided over a \$46 million property deal that sent the union bankrupt. Most recently, the Melbourne University Student Union spent money to help fund the legal defence of a man charged with assaulting police and damaging a police station in the Palm Island riots. In 2006 the Monash Student Association funded the legal defence of G20 rioter Akin Sari, who was later convicted and imprisoned. In 2004 the National Union of Students spent a quarter of a million dollars campaigning against the Howard government in the federal election. Fortunately, this episode was not repeated under voluntary unionism arrangements in 2007. In 2001 student money funded the purchase of an axe used to break into a vice-chancellor's office and gain significant media attention.

In conclusion, this bill is a tax on students. It is a disgraceful return effectively to compulsory unionism; it represents a shameful broken promise; it is poorly drafted and will cause the government far more headaches than it realises; and it treats adult students with utter contempt. This bill and these guidelines not only will return students to the bad old days of effective compulsory student unionism but go even further by imposing those draconian obligations on tertiary education providers. It is regressive, it is a huge cost impost on students, and I will be opposing this bill, as will many of my parliamentary colleagues.

Ms HALL (Shortland) (11.30 am)—I rise to support the Higher Education Legislation Amendment (Student Services and Amenities, and Other Measures) Bill 2009, as will many of my colleagues within the parliament, who are totally committed to this legislation and can see the vast benefits that it will provide. I need to put on the record my very strong support for this legislation, as will many of my colleagues.

This legislation amends the previous government's voluntary student unionism legislation, delivers a balanced, measured and practical solution to rebuilding student services and amenities of a non-academic nature and restores independent democratic representation and advocacy within the higher education system. It will amend the previous government's voluntary student unionism legislation and deliver balanced and measured practical solutions. It is important to note that the previous government's legislation stripped approximately \$170 million from university funding, resulting in the decline and in some instances complete closure of vital health, counselling, employment, childcare and welfare support services—things that are vitally important to students when they are at university. Going from school to university is a very big life change, and the services that were provided were quite often the services that ensured that students going to university succeeded.

I must say that I found listening to the contribution to the debate by the member for Hume most interesting. As I entered the chamber he was throwing abuse across the chamber at one

of my colleagues, suggesting that unlike the member for Leichhardt he had worked for a living. Well, I have known the member for Leichhardt a long time and I know that he has worked for a living. He has a background in agricultural science, and he is very committed to seeing students get a fair deal. The member for Leichhardt understands what it is like to attend university while at the same time struggling with work. He has been faced with all of those competing needs.

It is very wrong for the member for Hume to stereotype members and to be so judgmental about a person's background without knowing anything at all about where they come from or what they have done in the past. I feel quite sure that the member for Hume would like to throw those sorts of comments across the chamber at me. I have had a long and varied career, starting with washing dishes in kitchens and serving tables when I was studying to working in a professional field prior to entering parliament. I have always worked, and that is pretty indicative of most people on this side of the parliament. We have worked hard, we have studied, but we do not come from the elitist background that members on the other side of parliament try to portray. We do understand that many on their side enjoyed growing up with a silver spoon in their mouths—

Mr Robert—Jill, don't be like that. Did you hear me defending Alby?

Ms HALL—I notice the member opposite nodding in agreement with what I am saying! The member for Hume also pointed out that this legislation was like a poll tax, because everybody had to pay it and it was regressive. I did not notice the member for Hume arguing that way when the GST was introduced. That was a tax that everyone had to pay from the cradle to the coffin regardless. He seemed to be quite supportive of that. In talking about a regressive tax, he is saying people would have to pay it whether or not they used the services provided by the university. To be honest, I do not mind paying taxes that are used for things I do not personally use. I have not been in hospital in recent times; I do not mind my taxes being spent on hospitals. I am not undertaking any form of education at the moment, nor are any of my children, but I welcome my taxes being spent on education. I have no children in child care—I thought a 35-year-old was a bit too old to send off to child care! I hope my taxes are being spent on that. In all probability, I will never receive the age pension. I strongly support my taxes being spent on providing the age pension. I think the member for Hume has a very narrow approach to looking at tax and regressive tax.

When we come to unions, I think we are getting close to why not just the member for Hume but every member on the other side of this parliament chose to oppose this legislation. They feel that, somewhere in there, there may be some mention of unions. We all know that they are the slaves of Work Choices and that Work Choices was driven by hatred of unions. The member for Hume talked about national unions of students campaigning against the Howard government. When we look at some of these issues, we are getting a bit closer to the reasons that we have had speaker after speaker on the other side of this House stand up and speak against legislation that is going to provide vital services for students attending university—services that can provide a whole-of-life experience to students whilst they are at university and, in addition to that, services that can support them and ensure that they complete their degrees.

When I attended university at one time, I utilised the childcare service at that university. It was the fact that I could access that childcare service that enabled me to study. It was the kind

of service that has been jeopardised since the Howard government ripped \$170 million from universities through the introduction of voluntary student unionism. As well as much needed services being substantially reduced or having ceased to exist on many campuses, students have been hit with increased prices for child care. As I mentioned, I was able to study at one particular stage in my life because I could access affordable child care that recognised the fact that at that time my income was low. Voluntary student unionism has also led to increasing prices for parking, books, computer labs, sports and food services—all things that made attending university more affordable for students from my electorate and from electorates around Australia.

Indirect costs have resulted, with funds being redirected by many universities from research and teaching budgets to prevent cuts to services and amenities. I know that the University of Newcastle has done everything in its power to maintain the services that have been provided on that campus. This is because at the University of Newcastle, as at many universities throughout the country, it was recognised how vital these services were to maintaining a university campus that had a multitude and variety of services and support for the students attending that university. This legislation brings back a balanced and practical approach to ensure that student services and amenities, as well as access to independent and democratic—and I emphasise independent and democratic—representation and advocacy, are secured now and into the future.

These amendments will ensure that national access to service benchmarks will be introduced for the first time. They will ensure the provision of information on, and access to, welfare services and counselling in line with current requirements for overseas students. I believe that is a very important step. Counselling and welfare services have been of vital importance to students at universities over a very long period of time, but these national access to service benchmarks will allow for that to be evaluated. I think that members on the other side of this parliament will be very surprised at the information that comes out.

National student representation and advocacy protocols will be introduced for the first time to make sure that students have an independent voice on campus. I know that members on the other side of this parliament tend to become a little bit worried when people show their independence and have a different approach to theirs on any issue. What I would say to those members is: 'Embrace the difference. Embrace the fact that students, whilst they are at university, are learning—they are opening their minds. They do not need to be locked into any particular philosophy.' I suggest that members opposite support independent voices on university campuses.

As well as the benchmarks and protocols, universities will be provided with an option to set a compulsory fee capped at a maximum of \$250 per year and indexed annually. This legislation is to take effect from July. The first fee will only be for half a year and it will not be for the full amount. It is also important to note that allowance will be made for students that are attending part time. The university has the ability to do that.

Guidelines will be developed outlining the range of services and amenities for which fees can and cannot be used, including things like child care, health care, sports, fitness clubs and all the things that I think are so important. Each university will decide whether to implement the fee or not. Eligible students will have the option of taking out HECS-style loans under a

new component of the Higher Education Loan Program—SAHELP—to ensure that the fee is not a financial barrier.

This legislation also maintains a commitment not to return to compulsory student unionism. As I said at the commencement of my contribution to the debate, I think that has been a big concern on the other side of this House. Members on the other side tend to cringe as soon as they hear the word ‘union’. I need to assure them that this is absolutely not a return to compulsory student unionism. Rather, it is about providing financial support to universities to ensure that students can access all those things that make universities a very special place, as well as providing students with support services.

It maintains the commitment not to, as I have said, return to compulsory student unionism. It is expected that providers will consider the views of students—and that means consultation—in determining whether to charge a fee and, if so, at what level it should be put. At the same time, when they consult with the student bodies—the students—they will determine what types of services and amenities will be supported by fees. I have mentioned child care, counselling, student welfare services, health services and the sporting facilities that have been so important. I note that the member for Hume questioned whether or not the sporting support that students obtain at university would lead to Australia being in a better position when it comes to the Olympics. I have a quote here from the Australian Olympic Committee. In its submission to the 2008 review, it said:

For a number of our Olympic Sports, the university sporting clubs system is a key component in the elite athlete pathway. The best example of this is rowing where approximately 80% of national representative rowers are members of or connected with a university club. Given the importance that the university sports system has on elite level sport, these trends will have a direct and real impact on Australia’s ability to maintain its hard won international standing in sport.

It continues:

... the introduction of the VSU legislation has had a direct negative impact on the number of students (particularly women)—

I have a longstanding interest in women in sport and the fact that women in sport find it a lot more difficult to receive the rewards for their sporting activities than men do. The pathway for women in sport is a lot harder. Women’s sport does not obtain the same level of support within the general community and does not get the same access to sponsorship and the media as men’s sport. I think it shows that the VSU legislation has impacted on the number of women that are involved in sport and that is really disturbing to me on a personal level—

participating in sport and, for the longer term, the maintenance and upgrading of sporting infrastructure and facilities and the retention of world class coaches.

I implore those on the other side of the parliament to move away from their very fixed approach and stereotyping of what they think this is—namely, they are linking it to unionism. They are fearful that students will join together and not support them. The National Union of Students, as the member for Hume pointed out, campaigned about the Howard government. That is not what this legislation is about. This is about supporting our universities and ensuring that they have the finances they need to provide those really vital services—such as counselling, child care, affordable parking and affordable food—to the students while, at the same time, providing students with the opportunity to have the diverse experience that university provides.

Being at university is the one time in a person's life when they can experience different things and should push the boundaries in their thought processes. They should also be able to continue to be involved in sports at university. This is about funding universities. This is about creating diversity of experiences on university campuses. It is about ensuring that students have the ability to make a choice.

Mr NEVILLE (Hinkler) (11.50 am)—The Higher Education Legislation Amendment (Student Services and Amenities, and Other Measures) Bill 2009 cuts to the very core of two different political philosophies, one being the belief that individuals should have the right to choose whether or not a fee be paid to any organisation, the other being the belief that compulsory membership by way of fees is all to the greater good. In answer to my colleague who has just spoken, I have no objections to unions of any sort. I have been a member of a union myself. I have no objection to student unionism. But I do take the most violent exception to compulsory unionism and to student unionism where the facilities of student unionism have been used for political purposes. So let me make myself clear: I think the right of association is part of our democratic heritage; and if students want to do that, so be it.

I make this preliminary comment: if student unionism in its old form had been delivering to students the sorts of things that my colleagues on the other side have been saying throughout this debate, why is it that, except in a few sandstone universities and some in Western Australia, union membership has fallen to what we are told—you cannot get an accurate figure on this—is about 15 per cent? That says to me that six out of every seven students have said that this organisation does nothing for them; that it does not provide any real material help to them in their obtaining of a degree and their journey through tertiary education. So in this bill the government has—I suggest by stealth—reversed the existing situation, where higher education students are currently not compulsorily required to expend money for services that they do not want or need.

Under this legislation, students at higher education institutions will be required to pay up to \$250 a year as a student services and amenities fee, but we have not had from the government what that really means. What concerns me greatly is that this fee is the thin end of the wedge. It is a return to compulsory student unionism by stealth, as I said, because the bill leaves open the way for any student body to divert funds. It is a piece of political trickery. The services which can be provided, thanks to this per student tax, will not be detailed until after the bill has been passed and the guidelines for providing student representation and advocacy services have been outlined from that bill.

Let me paint a scenario for you. The government says that there will be a requirement for the universities to provide for an election of a representative advocacy body. What does that mean? Does that mean that that will be a controlling body for all students? Or does it mean it will be an advisory body that will advise the university senate or council on how things should be done? If it is the former, isn't it just a short shift from having a student representative body and saying, 'You can take over the running of the expenditure of these \$250 fees'?

You might argue that in the first year or two there would not be much politics involved and it would be just the student representative body elected on each campus. That probably would not be the case at some of the long-established universities, where the unions even to this day have a bit of a foothold, but on a lot of country campuses you would get a student representative body. But I would bet within a year or two it would be politicised—I am not saying poli-

ticised necessarily by the left side of politics; I think the right side of politics would probably have a hand in that as well—and you would find that that student representative body would in a short time have a distinct political flavour about it. If the minister has not laid down very strict guidelines, the university council might say, ‘We will allow this representative body to run these facilities,’ and then you would virtually have a situation where the university union, that representative body, would again be running the facilities of the university.

Having allocated the subsidy, or the tax, the \$250 per student, into various services—for example, into the cafeteria—if subsequently the cafeteria were to make a profit, would there be a requirement for that to be reinvested in student facilities or would the representative body be able to take that profit and apportion it wherever they saw fit and not necessarily on campus? These are things that we have yet to see, but given the way the previous system worked I would be most wary. It could leave open the door for funds to be allocated and then donated to any sort of body. If that is not a sly, convoluted way of cycling money back into radical political activity, nothing is.

We all know—and I am not going to bore you with the detail of it; there are pages of this stuff available—of the abuses of compulsory student unionism, and that is part of the reason why students will not have a bar of it. I do not know any other walk of life where you are forced to do something like this and have no say in it. Also, if you are having trouble raising the money you are going to be allowed to add it to HECS and have it deferred. Again, to me that is a fairly convoluted way of getting money out of parents and students into the system and removing, again by stealth, some of the legitimate objections that people might have to the collection of that money.

We know that under the old system most of the student bodies charged between about \$350 and \$600. That was a lot of money for parents, especially parents who had two kids at university, and I am not a bit surprised that student unionism dropped away so quickly when the compulsory nature of it was removed. It meant that these student organisations had to be more responsive to the needs of their members and it stopped the sticky fingers of unions dipping into the pockets of students. Of course, student unions were up to their arms in all sorts of activities and they have lobbied hard to have the laws the previous government introduced overturned.

I know of one young man in my electorate who has spent his entire holidays working, and who will work when he returns to university, to cover the fees for his three-year course. He is trying to pay his fees up-front while his parents cover the cost of college accommodation, which is around \$15,000 a year. Next year it is likely that his sister will join him at university, so the family will then have a bill of about \$30,000 for accommodation. Under the old system they could have been up for \$1,000 or \$1,200 for compulsory fees, and even under this system it will still be \$500. I say ‘at least’ \$1,000 for these two kids, because, from what we have heard of the government’s intentions, this study is going to be CPI-ed, which means that in subsequent years it will continue to increase. As I said, students will be allowed to defer the payment into some top-up of their HECS debt. I do not know if that is a healthy thing. And all that it is doing is just providing this stream that, at the flick of the pen of the minister, can be allowed to degenerate into a new, if not surreptitious, form of compulsory unionism. At a time when the government said there would be no extra taxes, surely it is expensive enough to

have to pay for travel, textbooks and accommodation without having to be lumbered with some additional fee.

As a follow-up to this point, it is predicted that tens of thousands of jobs will be lost in the coming year because of the global financial crisis. So what sort of prospects will students have of getting jobs to defray the cost of these government imposed fees? They will just be another expense on top of another expense. At this point, when the government is expecting us to pass the bill, we do not even know what all this money will be spent on, or what oversight, if any, there will be. Sure, we know it will be for a facilities fee, and we know that there will be a student representative body, but we have not seen a clear delineation of what things will be in and what things will be out. You can see this debate through one of two prisms: either a glorious effort to resuscitate compulsory student unionism or a spirited defence of the right to choose. There must be room for those of us who see the need for better student amenities on campus while rejecting the compulsory nature of those facilities.

Quite frankly, I think there should be a requirement on universities to provide some of these services. For example, at a university you have a health service, and I think that, for young kids coming out of secondary school, that is important. They have not got their parents there. They need to get advice. That is important. They need counselling, perhaps (a) to do with their courses or (b) to do with just coping with the change of lifestyle—and a lot of kids drop out because of that. Over the years this has been duckshoved onto the unions. It was a very clever move on the part of the universities to cost-shift. I believe that those services are very much the responsibility of the university council or senate themselves to provide. It is part of their duty of care. The concept that it can only be provided by some sort of student representative body is nonsensical. The same goes for a cafeteria. A lot of new campuses are far away from any form of food outlet—I know that the one in Bundaberg must be a kilometre from the nearest service station. To have a cafeteria should be the responsibility of the university. I have got no objection to the government making direct grants to universities for their facilities and including some of those essential things—a medical centre or a cafeteria—as part of it, but the money should not be taken from students as a levy. It should be part of the responsibility of the university to deliver those things. Yet we have been slowly suborned over the years to believe that those sorts of things can only be provided by a student union.

The other sorts of things I would query—and I think that we as members of parliament have a right to know if the government proposes these sorts of thing—are how to provide for a differentiation between the various types of students. There are a lot of very focused students today doing external studies, and some universities specialise in this. When I was studying I think that student fees—and I am not sure whether they were compulsory then—were organised along the lines of a student paying a full student fee if they were a full-time student, a 50 per cent fee if they were a part-time student, and a 25 per cent fee if they were an external student. In this bill we have not had any outline of whether that sort of thing would happen.

I stress again the importance of medical and nursing services. I think that the university should be providing them. You have smaller campuses like Cairns, Mackay—and I am talking in the Queensland context—Gladstone, Bundaberg, Hervey Bay and Ipswich, where you have a comparatively small number of students, and even with these fees there is not going to be

sufficient money for the provision of some of those things I have just talked about, like medical centres.

The other thing I query is the idea that a student union—and this is clear from the minister's statement—should be an advocacy body. What does that mean? Does that mean an advocacy body purely for the students in general advising the university senate and council, or does it mean it should advocate on behalf of individual students over their right to do a certain course or to query marks or query whether they were given reasonable time to put in assignments and the like? It is that level of advocacy.

I think that you could get around very easily. Why not have in all universities a student ombudsman, an independent person from outside either the university council or the student body—perhaps a retired lawyer, magistrate, judge or whoever might be available—who could rule on those things? You do not have to make it some confrontation between the student body acting as advocate against the university itself. So I think that the running of country campuses, especially regional campuses, could be done in a much simpler fashion.

The whole idea of compulsory student unionism is clearly at the back of this legislation. As I said, once you have got a representative student body, after you have gone through the first year or two it will eventually be politicised. There will be the Liberal club or the National club or the LNP club or the Labor club or whatever it might be, and then it will not be long before they want to start running some of the student facilities of the university. I do not know whether that is a healthy thing. I think that \$250 is quite unnecessary. Some argue that there should be sporting facilities—in fact, the previous speaker talked about rowing and how rowing has provided about 80 per cent of our elite rowers. Much and all as I admire the university rowing clubs, and some of them may have had their genesis in student unionism, you really have to ask yourself whether it is the role of the average student, who has probably never held a pair of oars, to pay fees for those elite athletes. Is that really the role of your student fees? So, Mr Deputy Speaker, I have a definite worry about this bill and, in the absence of any clear explanation of some of the things I have raised today, I fear that I will have to oppose it.

Ms LIVERMORE (Capricornia) (12.10 pm)—In listening to the debate, it seems that members opposite are insisting on debating this measure in terms of the student union issue. Speakers on this side have tried again and again to reassure them by pointing to the bill itself and saying that this is not about compulsory student unionism—that is definitely not what this is about. There is no change to the Higher Education Support Act, which currently prohibits a university from requiring a student to be a member of a student organisation. There is nothing in this bill that changes that part of the Higher Education Support Act. It is not a return to compulsory student unionism, as much as the opposition wants to create that bogeyman.

This legislation is a very sensible, a very practical and a very considered response to the situation that we have in our universities at the moment. They are \$170 million short and there is an expectation and a requirement amongst their student bodies that certain services—like child care, health services, cafeterias, accommodation, welfare support and sporting facilities—are provided by universities or available at universities in a situation where there is currently no funding mechanism for universities to meet the costs of providing those services. So we have a situation where the VSU bill amounted to \$170 million being taken away from universities and still an expectation to provide those services. The inevitable result of that is that those services are simply no longer able to be provided. This bill seeks to plug that hole of

\$170 million that hit universities as a result of the VSU legislation under the previous government and to do it in a reasonable and sensible way. It gives universities the ability to charge fees of up to \$250 a year, starting in the second half of this year with fees of \$125. Universities need to consult with their student populations as to the amount that will be charged and the kinds of services, activities and facilities that will be supported by that funding. That seems like a fairly moderate and practical solution to overcome the effects of the VSU bill in 2005, which saw a hole of \$170 million open up in our universities.

We did not come at this with some knee-jerk, ideological reaction. It is a pretty simple bill. We could easily have whacked this into parliament straight after the 2007 election if it had simply been a matter of an ideological crusade. It is not that, and that is clearly evident by the process that has been gone through in the development of our solution to the \$170 million funding hole, in order to come up with something that will work for universities and students. The process has taken close to a year. It has involved calling for submissions from interested parties and stakeholders. We have received something like 160 submissions. The minister travelled right around Australia and held face-to-face meetings in cities and regional centres to get the views of the community and stakeholders in universities on the effects of the VSU legislation, services and facilities that are actually required at universities and the best way forward to rectify the mess that was left with the VSU legislation.

That is one way of showing that this is certainly no empty ideological crusade on the part of the Labor government but rather a search for practical measures to improve the experience of students on campus. The other evidence that points towards the need for this measure is in the Bradley report. In chapter 3.4 of the Bradley report, the review last year into higher education in Australia, there are some pretty damning findings involving student experiences at universities in Australia and how these compare internationally. The overall satisfaction of students with their experience in Australian higher education institutions ranks far below comparable survey results in the United Kingdom and the United States. These statistics are telling us something about what is happening on our campuses, and I do not think we can ignore the effects of the \$170 million in the last couple of years taken out of the facilities and student support services that assist students to feel at home and find their place on campus.

In a paper written by Professor Geoff Scott that was part of the supporting evidence relied on by Denise Bradley in the review, he says:

There is a strong link between students' retention and success and the extent to which they are engaged with their fellow learners and their teachers during their studies. Factors influencing the extent of engagement include 'the social climate established on campus, the academic, social and financial support provided by the institution, student in-class and out-of-class involvement with campus life, and frequent feedback provided to students and staff about their performance.

In this country we are faced with the challenge of trying to increase the number of Australians with higher education qualifications. The challenge put forward by the Bradley review is for institutions to reach out and provide opportunities to students from a much greater mix of socioeconomic backgrounds. Part of that is providing students with the support and the facilities that they need to feel at home on campus. Students from outside the traditional demographics entering our universities need those extra support services to make the most of their opportunities and their experience at university. At the moment we have quite a high attrition rate amongst students in their first few years at university and we are not seeing a high enough

proportion of students from either regional and rural areas or lower socioeconomic backgrounds attending our universities. That challenge is spelt out very clearly in the Bradley report, and I cannot say that cutting \$170 million out of student support services and facilities that create that life and that spirit on campus and provide the assistance and support that students need is really helping in that challenge that the country faces to increase the number of people getting a higher education, particularly in those under-represented demographics.

This is a very practical way of solving this. The bill provides that universities can now charge \$250 a year from 2010 onwards. Students are able to defer those fees into a HECS-style loan until they are in a position to pay back the HELP loan for their overall university education. So it is not a great impost on students. It does not necessarily have to be an upfront cost. What it really means is that universities can rebuild these important services—things like childcare services, computer labs, cafeterias and accommodation and welfare services.

I point out some of the impacts we have felt at CQ University in Rockhampton as a result of the introduction of the VSU legislation. This comes from the submission that CQU provided to the discussion paper process; it is not stuff that we have just plucked out of the air. We are not running this as a political debate. Our support for this measure comes out of what we have heard from universities themselves. In its submission, the Central Queensland University Student Association said there had been 'loss of community involvement with university students through closure of entertainment venues and reduced sporting, social and cultural club subsidies'. The student association's gross income has been reduced by 75 per cent, or \$1.9 million, and they have slashed staff from 42 to 15 through redundancy and attrition. Losing that number of jobs has a big impact in a community such as Rockhampton.

The student association has outlined a range of negative changes, including loss of staff, loss of cultural and social services, loss of sports subsidies, increased costs for lockers and photocopying and the closure of a live entertainment venue. The student association also used to provide equipment such as barbecues and eskies for events that were happening on campus, funding assistance for venue hire and funding assistance for speakers and workshops. They say that with a user-pays system in place they have observed that students are opting out of services such as sports clubs, and we are seeing that in campuses right across Australia. Students have been paying for the effects of VSU through higher prices on campuses or by having to source services and facilities off campus. There are hidden costs in the VSU. We say that we expect universities to create a particular environment, to support student advocacy, to support students on campus and, through facilities and activities, to bring campuses back to life and to improve the statistics on student engagement and satisfaction with their experience in higher education. We say that universities should be allowed to charge student fees to enable that to happen. I see far more benefits than costs as a result of the measures in this bill.

Mr CIOBO (Moncrieff) (12.22 pm)—I am pleased to have the opportunity to present, as yet another member of the coalition, our complete opposition to Labor's 'no ticket, no start' policy on university campuses across Australia. Having had the privilege of attending both public and private tertiary institutions, I look upon these kinds of initiatives with great interest. I compare and contrast the various experiences I had at both Bond University as an undergraduate and the Queensland University of Technology as a postgraduate student with respect to the services offered and my observations of their worth to the beneficiaries of these amounts of money. It is not understating the fact to say that for the coalition this issue remains

a shibboleth. We fundamentally believe in freedom of choice. This fundamental principle cannot be expressed any more clearly.

It is an indictment of the Labor Party that the legislation that is before this chamber, the Higher Education Legislation Amendment (Student Services and Amenities, and Other Measures) Bill 2009, removes the right of freedom of choice from young Australians who are attending tertiary institutions. That is a given. You will not have members of the Labor Party—at least I hope you will not—even argue that point. It is a given that this bill removes the choice that young Australians have of whether or not to pay a subscription to a student union—or, in the case of this specific bill, a yet-to-be-identified beneficiary within the university institution itself—or whether or not to use the services that may or may not be supplied as a result of the payment of this money.

The only arguments that come forward from those opposite are that this legislation should be supported for either one of two reasons. The first is that the government knows best. That is a paraphrase but that is basically the argument. Labor members say: 'Government knows best; all students should have to pay this fee because it goes towards the supply of student services across campuses. It doesn't matter whether those services are utilised; it doesn't matter whether the supply of those services is in response to student demand; we just know what students want and so we're going to supply services and we are going to demand payment.' So they completely remove the link between supply and demand. They completely remove the link between meeting the demands of students and just insert themselves and say: 'This fee will be compulsory and these services will be supplied and no discussion will be entered into.'

The other argument that is put forward is that this is akin to some kind of local government rate—that it is all about supplying essential services that all students would want to use, and if they do not use them they must be thick. It is like a rate that a council would levy on ratepayers. Again, the difference is that, unlike councils and councillors, which are accountable to parliament through the minister, under this legislation that is not the case. We hear glib promises from members opposite who say: 'Oh, no; don't listen to the coalition; they're still caught up in the arguments of the past about whether or not this is about compulsory unionism. This harmless piece of legislation is just about making sure that essential student services are supplied with money. It's not about student unions.' That is what we hear from Labor members opposite, but the reality is that if it walks like a duck and talks like a duck, it is a duck. What we have in this bill in this chamber is a very, very deliberate decision to again provide funding to student unions, albeit directly or indirectly, that will ensure that those who are the principal beneficiaries of a compulsory no ticket, no start student union system—that is, the Australian Labor Party—get what they require and pay back their debts to a student union movement, like the National Union of Students, that has provided so much funding and logistical support to the Labor Party for so many years.

It is no surprise that the minister with overarching responsibility for this fiendish piece of legislation in front of us is none other than the Deputy Prime Minister, a woman who sits on the management committee of the Socialist Forum and who has such incredibly strong links to the union movement and its socialist roots. She is putting forward this policy. Most concerning is the fact that this policy is a breach of Labor's election commitment, because we

know that the former Minister for Education, Stephen Smith, in response to a journalist's question at a doorstep in May 2007, said:

No, well, firstly I am not considering a HECS style arrangement, I'm not considering a compulsory HECS style arrangement and the whole basis of the approach is one of a voluntary approach. So I am not contemplating a compulsory amenities fee.

So that was Labor's policy: they were not even contemplating a compulsory amenities fee. They know in their hearts that there is absolutely nothing wrong with providing students with choice about student services. There is nothing wrong with expecting that the provision of student services should be responsive to demand. That was the fundamental principle that led to the introduction of voluntary student unionism under the Howard government. That was the delivery of an important commitment that the coalition has to every young Australian that says: 'We believe you have a right to choose how you spend your money.' Most importantly, it sends a message to the student unions and those who seek to supply services to students: 'Provide what is in demand and it will be commercial.'

If students want to join a sports club, why should a sports club on a university campus sit distinct from and separate to every other sports club in the community? Why is that the case? No rationale has ever been put forward by members opposite about why, for example, a university cricket club should benefit from direct and compulsory student funds and yet the local community cricket club should not. There is no argument put forward about why, for example, a childcare centre on a university campus deserves direct funds from compulsory student contributions when there are so many other community based and private childcare centres that operate at a profitable level. There is no argument put forward by members opposite about why, for example, student unions should compulsorily acquire funds off students to pay for overtly political campaigns that other students have no interest in being a part of or for the provision of services to such small numbers of students that there is a massive cross-subsidy by those who never use that service. Why do we not impose that across the community as a whole? The reality is that we do not, and for some reason the Labor Party has this ideological commitment to student unions—because they know that they are the logistical support required for and major contributors to the Labor Party.

So commitments or apparent commitments that the Labor Party makes in this chamber in this debate that this money is not going to be used for student campaigns or student unions are nothing but hollow words. What we know from the legislation that is before the House is that the only person who will take the decision about whether or not money is being used effectively is the minister. The only person who will take the decision about whether students' money is being misused is the minister. I cannot for the life of me imagine too many instances where that management committee member of the Socialist Forum, the Deputy Prime Minister, would actually take the decision to impose some kind of penalty on a student union that might be misusing compulsorily acquired funds. I cannot imagine too many instances where the matter will even come up, because, again, under the legislation that is before the House there is no framework to impose a penalty and no framework for the reporting of the money that might be used or, rather, misused.

You have to wonder what it is that the Labor Party find so offensive about the principle, 'We believe that students should only pay for the services they choose to use.' What is it about freedom of choice that is so offensive to members opposite? The only assurance the minister

has made is that the legislation will prohibit money being spent for political purposes. That is the only assurance that has been given. The only political activities that are expressly prohibited by the legislation are providing support to political parties and support for election to a Commonwealth, state, territory or local government body. That is it. That is the sum total of the assurance that has been provided. So there are still a raft of opportunities for political activities, including, for example, funding campaigns against legislation, policies and, potentially, political parties and providing funding for the direct support of trade unions or any other organisation that is not registered as a political party. All of that still lies at the feet of student unions who can spend that money.

I have to say that the real thinking behind this bill is perhaps summarised by David Barrow, the President of the National Union of Students. He said, when speaking about the proposed legislation and why he had a problem with it:

Unis get the fee, students get the services but student unions get screwed ...

That is the comment of David Barrow, the President of the National Union of Students. Well, doesn't that just demonstrate what a self-serving attitude student unions under the Labor Party have? Their concern is not about where the fees are going or how the fees are being spent; rather, their concern is about what role the student unions play in it. I have to say, I think that David Barrow perhaps misspeaks as well when he says that student unions get screwed, because under the legislation that is before the House today we actually do not know if student unions are going to, to use his words, get screwed or not. What we actually know is that the only people who are going to be penalised very directly as a result of this legislation are all students attending a tertiary institution in this country, who will be required to comply with this legislation and will be forced to pay up to \$250 for the privilege of going to university—apparently for services which they probably will not even use. There is no link back to the demand of students; there is just some notion that some central power somewhere knows what it is that students want. It is particularly concerning that Labor just will not stand by the principle of freedom of choice.

We also know that this fee of \$250 is going to be indexed to the CPI every year. So the financial burden on some of the most cash-strapped members of our society is in fact going to increase every single year. And this is happening at a time when unemployment is skyrocketing under the Labor government. We know we have a government that are throwing money left, right and centre at a problem that they have made worse through their policies. We know unemployment is accelerating at a rate far beyond the very conservative forecasts that the Labor Party put forward because they did not want to be seen to be a complete failure when it came to employment. And now, to make matters worse, the Labor Party are going to impose a \$250 fee on every student, regardless of their ability to pay. Members opposite will argue that it is okay because it can be effectively deferred through a HECS scheme. So what they are basically saying is, 'If you can't afford to pay now, don't worry—you will pay later and you will pay with interest.' So that is Labor's policy for those who are among the most cash-strapped members of our society.

This issue is a very straightforward one. I fail to understand why the Labor Party holds universities to be distinct from any other kind of collection of individuals in society. Why, for example, isn't a TAFE college embraced in the same way as a university college by this government? A collection of students at a university is deemed to be an appropriate body to force

students to pay up to \$250 a year, to fund services that they may not even want. Yet, if you are a student who goes to a TAFE college, apparently you do not need services or are able to utilise community services. Bizarrely, those same services are available to students at a university campus and yet they do not have recourse to them. So, it is crystal clear to me that Labor's very muddled thinking on this is largely an outcome that is seeking a rationalisation. We know that Labor is absolutely determined to ensure that students pay their student union fees and to get their pound of flesh out of students so that that money can go straight back into Labor Party coffers through the student union movement.

The clearest evidence of why, apart from freedom of choice, voluntary student unionism is a superior model is that we have seen that it works. We have seen bloated, lazy student unions that are not responsive to students' needs see their membership fall. At the University of Canberra, for example, student union membership fell to around five per cent of the student population, because there you had a university student guild that was so concerned about itself and student campaigns that it offered very little value to students, and so membership of the student union collapsed. And yet, at the University of Western Australia, where the student union actually provided value—where the student union ensured that they were providing students with a reason for joining—membership sat at 60 per cent. So we know the VSU model works. It works because it rewards those student unions that provide the services that students want and it penalises those that do not.

The impact of student unionism can be clearly seen in a breakdown of student fees. At Monash University, for example, in 2004, before VSU was introduced, students were required to pay an amenities fee of \$428 per annum—\$428 slugged to students per annum under the no ticket, no start policies of the Labor government. It is interesting to get a breakdown of how that money was spent, because it is, after all, about student services. We know that about \$30 was spent on building services, about \$13 for clubs and societies, around \$22 for sports groups, \$5.40 for childcare subsidies and \$5.40 for child care, 28c for food services and subsidies, 49c for student theatre and 59c for unspecified student services.

So the question is: where did the great bulk of the funding go? Four hundred and thirty-eight dollars was slugged from students—where does the bulk of that money go? Well, \$238 went on administrative costs. The bulk of the money that was slugged from, in many instances, the most cash-strapped in our society was spent on administrative costs. That notion of administrative costs means the costs of the student union, the contributions the student union made to the Labor Party, of which members opposite are beneficiaries, and the costs that are covered by campaigns the student union runs. That is where over half of the money charged to students through the student union went to. It is an indictment upon a 'no ticket, no start' failed culture within the Labor Party that seeks to reward student unions and ensure that they have rivers of gold flowing to them out of the pockets of students who are forced to pay these fees, under legislation and under penalties of law, because this government is so ideologically transfixed with propping up this sector.

Again, you have to ask: what is wrong with freedom of choice? You also have to question why it would be compulsory for students who, for example, study by correspondence—those students who have never set foot on campus and are forced to cross-subsidise those students who are on campus. What about mature age students, those who are working full time and attending night classes? I myself was one at the Queensland University of Technology. I was

working full time during the day and studying at night—again, forced to pay this horrendous fee to subsidise other students. That was not the case under VSU; you chose where you spent your money.

I am very proud to stand up for freedom of choice. I am very proud to say to universities and student unions: ‘Supply the services that students want and they will join you voluntarily.’ It works in every other aspect of the community. It works for community groups across suburbs all around Australia. There is no reason why fat, bloated, lazy student unions, which channel funds to the Labor Party, should be some kind of protected species and there is no reason why Labor should breach their election commitment to not introduce this compulsory fee, purely and simply to provide a kind of logistical support to Labor’s youth wing, which they are seeking to do through this legislation.

Mr MARLES (Corio) (12.42 pm)—I rise to speak in support of the Higher Education Legislation Amendment (Student Services and Amenities, and Other Measures) Bill 2009. It is a pleasure to follow the member for Moncrieff, whose contribution reminds me of a quote that I think was attributed to Winston Churchill, when he said of himself: ‘When my arguments are weak I just make sure I speak louder.’ That pretty much characterises the contribution that we have just heard from the member for Moncrieff. It also highlights exactly what we have witnessed over the last few years from the Howard government and why this bill is so important—because what it does is undo the appalling mess that has been left for universities in this country by the Howard government’s pursuit of its voluntary student unionism legislation. That was part of a long-running campaign which has obviously had the effect of disempowering students, removing services from campuses, really attacking the very vibrancy of student life and reducing the ability of students to represent themselves.

But all of this was done—and we have heard it perfectly through the previous contribution—in what has been a misguided, ideological pursuit on their part, which somehow equates students on a campus with the relationship that may exist with workers in a workplace. They try to equate a student union, in a sense, with a trade union and try to equate student services fees on a campus with some form of a closed shop, as we just heard from the member for Moncrieff, in an employment or an industrial setting. That of course is nonsense. Students have nothing like that relationship with the university at which they are enrolled. That is not an industrial setting, and what we have seen in the past with student service fees is simply not the same as some form of compulsory membership to a union. This constant returning to some misguided idea that these are a band of organisations which are secretly siphoning money off to the Labor Party is, frankly, laughable. That is not what is going on, nor has it ever been, and indeed this legislation makes it clear that that cannot occur as part of the future arrangements. In any event, that is not how things have been in the past, but it does highlight the obsession on the other side of politics with this particular issue and the ideological way in which they have driven down a path which has had very dramatic effects upon student life and the services that are provided to students on campuses.

The Howard government had a number of goes at abolishing student service fees which ultimately manifested in the higher education support amendment act that was passed in 2005 which prevented compulsory student membership of an association or an organisation, but also prevented compulsory fees being levied by universities for non-academic facilities, amenities or services. The effect of that particular policy was to strip \$170 million out of the

university funding which was going to the provision of student services on campus. It means that on-campus student organisations were emasculated.

The term 'voluntary student unionism' is a very politically loaded term. It has industrial connotations which are simply not real. It ignores the very important role that student organisations play on campus. Since the introduction of the Howard government's voluntary student unionism legislation, we have seen a decline in and in some cases the complete closure of vital student amenities and services. We are not talking about chocolate clubs or beer societies but health services, employment services, childcare services and welfare support services. All of these were stripped away at a time when students needed them most. When the cost of living rose for students, all of these much needed services—which provided low-cost services to a group in society who often do not have enormous means, students who are starting out in life and mostly do not have full-time employment—were removed.

In my electorate is Deakin University. As it happens, it is also in your electorate, Madam Deputy Speaker Burke. The Deakin University Student Association is the principal student organisation that operates across Deakin University. I have spoken to them on numerous occasions about the effect of the Howard government's VSU legislation on activities and services they are able to provide and about the effect on student life at Deakin University. I would like to take you through some of that. They describe a situation whereby their organisation has effectively been gutted by the introduction of voluntary student unionism legislation. Only 20 per cent of students are paying for services, which ultimately subsidises services that are needed by every student on campus. The services have suffered and, as a result, the students themselves have suffered. I think that particularly regional universities have suffered as a result of voluntary student unionism legislation in that the student life which exists as a campus in regional Australia often has a major impact on the region beyond the university. We talk about places being university towns and, in some ways, that is a fair description of Geelong. There is no doubt that the role of student life at Deakin University in Geelong goes far beyond simply the students; it is also of enormous benefit to the community beyond that. When services are removed for students on campus, it has a ripple effect well beyond campus life and the students themselves.

Unquestionably what that legislation did was require students to pay far more for these services. The ability to collectively pool the student service fee, which existed previously, and provide low-cost services which would save students lots of money throughout the year has been removed. That is really illustrative of the enormous lie that was put forward by the Howard government when they suggested that students would be better off by not paying the upfront fee. The truth is that a relatively small fee enabled an enormous array of services to be provided to students at a significantly reduced cost.

At Deakin University all the student services that had previously been funded through the student services fee have to a greater or lesser degree been cut back under the voluntary student unionism legislation. For example, there is now no longer a campus newspaper at Deakin University. There are neither staff to produce it nor money to print it. People may have a particular sense of what a student newspaper is like but, at the end of the day, it provides information to students about what is going on with student life and also it provides a focus for the student community. That has been removed by the introduction of the voluntary student unionism legislation. Not surprisingly, the Deakin University Student Association say that stu-

dents talk to them about the fact that in the absence of the services provided by the student association—and the absence of student newspaper is a particular case in point—they feel less informed about and more disconnected from the university community of which they are a part.

Before the introduction of the voluntary student unionism legislation there were 30 affiliated clubs and societies at Deakin University's two Geelong campuses—now there are only 19. That is not because of dwindling numbers. Indeed, there are more students than ever who want to study at Deakin University. The demand for undergraduate places has risen by 15 per cent this year. It is now one of the most popular universities in Victoria and yet, as a result of the introduction of the VSU legislation, there are far fewer opportunities for the students at Deakin University to connect socially and participate in the student life which used to exist at that campus. Being a regional campus, that is particularly detrimental for the many students at Deakin University in Geelong who are not from Geelong and for whom the university life is in a sense the main social safety net for them in maintaining a life which allows them to study at university. All of that has been swept away. There are significant consequences as a result of doing that.

The Deakin University Student Association used to fund the maintenance of a lot of sporting facilities around Deakin University. As a result of the severe drought that has afflicted Geelong over the past decade, the cricket ground at Waurin Ponds has now been forced to close because it is unsafe. The ability of the student association to provide the necessary maintenance facilities to keep that oval open during the prolonged drought that Geelong has been experiencing has been completely removed by the VSU legislation. That has had a flow-on effect for the soccer and baseball teams that would normally also train on that ground. There simply is not the ability for the student association to deal with that particular issue.

The Howard government did set up a transition fund to try and lessen the impact of the voluntary student unionism legislation on regional campuses and on recreational and sporting activities, but the example that I have just given at Deakin University shows how profoundly that fund failed in allowing that particular service and that particular facility to be maintained. Perhaps more critically, the student association has really struggled in a VSU environment to effectively maintain its presence, its staff levels and its services within the student body. The Deakin University Student Association, for example, no longer has a marketing department. The association has been forced to make some very tough decisions. This year the student association has really cut back its activities to simply advocating for students in circumstances of academic failure and, in needing to represent the students' interests through the academic processes of the university, they are able to do little else than simply that.

Often there are services which students do not necessarily realise they need until the circumstance arises where they do need that service. Academic advocacy is an example in point. People do not necessarily know that they need it until they find themselves in a position of having failed a subject and needing to have their position represented within the university structure. Often there are very sound reasons why a person might be in a position where they are unable to complete their studies and it is very important that that information and advocacy of their situation is provided through the university body. The Deakin University Student Association is now making this particular work their priority, but it is very much being done at a cost of almost all the other services that they used to provide. Certainly, they believe that

in the event that no further money is available and if there is not a remedy to be found in this legislation then they will not be able to do anything other than simply to provide that advocacy role.

The blame for all of that can be laid squarely at the feet of the Howard government and its voluntary student unionism legislation. It was an attempt to silence the voice of students. It was an attempt to remove the effectiveness of student associations which once catered for all students and which used to provide much-needed advocacy and amenities across a campus and build a social fabric, a life that students could engage in. All of that, as a result of the VSU legislation, was torn to shreds.

The Rudd government through this bill is committed to ensuring access for all university students to the amenities and to the services that they need. This government is proposing a very different alternative, one which will deliver a balanced and measured practical solution to this issue and one which will see the rebuilding of non-academic student services and amenities and one which will see the restoration of independent, democratic representation and advocacy for students within their tertiary institutions.

This legislation will require a higher education provider that receives funding for student places under the Commonwealth Grant Scheme to ensure that students get information on and access to basic support services of a non-academic nature and to ensure the provision of both student representation and advocacy. The legislation gives the power for a university in this situation to implement a fee of up to \$250 per student, and the means by which they do that—whether or not they levy the extent of that fee or whether they levy a different fee for part-time students or external students—is a matter for the university. Issues have been raised about the impost that that creates for students. Students who find themselves in circumstances where a fee of that amount is unable to be paid by them can take out a HECS style loan in order to cover that fee. So in no sense will this fee be a barrier for any student to participate in the tertiary sector.

Importantly—and this deals with a number of the rather hysterical comments that were made by the member for Moncrieff—the legislation is very clear: fees collected through this process will not be able to be used in any way to support a political party or a candidate for election at any level of government. This is in no way the implementation of some form of compulsory student unionism. This is not setting up some mysterious and nefarious line of credit to the Labor Party. These arguments just highlight how obsessed the other side are with this particular area of public policy. There will be no change to section 19-37(1) of the Higher Education Support Act which prohibits a university from requiring a student to be a member of a student organisation. Guidelines will be put in place which will outline the range of services that the fee can be used for—and indeed not used for—such as child care, health care, sports and fitness clubs. It will be up to each university to precisely determine how they will introduce the fee and, importantly, they will be required to engage in a dialogue with the student body about how that fee will be implemented and the size of that fee.

Not surprisingly, the Deakin University Student Association support this bill and would support, in the case of the Deakin University, the introduction of a \$250 fee. They say to me that the injection of funds that would come from such a fee would enable them to rebuild the services that they used to provide to students on campus at Deakin University, and in fact they

propose to do that very rapidly. Indeed, the student association predicts that they would have significant improvements in place within a semester and certainly by the end of the year.

This legislation, in a sense, cuts a middle path through a debate which has been passionate, I suppose, but very puerile in its execution by the other side—puerile in the sense that what we have seen are people who have struggled to grow out of the old debates of student politics and have sought to bring them to this place, very much at the cost of student life, particularly students on campus in 2009. What occurred on campus in the 1970s to the people who are in this place on the other side ought not to be used as a penalty against people who are conducting their studies in 2009. This legislation will deal with that issue. It will allow student life to return to a state of normality. It will provide for the growing of a rich and vibrant student life at tertiary institutions which is such an important part of the university experience. Contrary to the point made by the member for Moncrieff, the bill absolutely meets the Rudd government's promise to restore campus amenities and services, to restore student representation on campus and to restore student life, and for that reason I very much commend it to the House.

Ms HALL (Shortland) (1.01 pm)—I move:

That further proceedings on the bill be conducted in the House.

Question agreed to.

Main Committee adjourned at 1.01 pm

QUESTIONS IN WRITING**Treasury: Program Funding
(Question No. 450)**

Mr Hockey asked the Treasurer, in writing, on 1 December 2008:

- (1) Which agencies and departments in the Minister's portfolio will return money to budget in the 2008-09 financial year as a result of underspends in the 2007-08 financial year; and what sum of money will be returned to budget from these programs.
- (2) From 1 December 2007 to 30 June 2008, what sum of money has the Government committed to spending under Regulation 10 of the Financial Management and Accountability Act 1997 for applicable departments and agencies under the Minister's portfolio; and how much of this commitment was approved: (a) at the department and agency level; and (b) by the Minister for Finance and De-regulation.
- (3) What sum of depreciation funding: (a) is available for each department and agency in the Minister's portfolio as at 30 June 2008; (b) was spent by each department and agency in the Minister's portfolio in the 2007-08 financial year; and (c) was spent by each department and agency in the Minister's portfolio in the 2007-08 financial year to directly replace assets for which it was appropriated.

Mr Swan—The answer to the honourable member's question is as follows:

Australian Accounting Standards Board

- (1) Nil.
- (2) Not applicable – the Australian Accounting Standards Board became a Financial Management and Accountability Act 1997 agency from 1 July 2008.
- (3) The Australian Accounting Standards Board's budget is allocated to priorities on the basis of need and the Board does not try to allocate funding from particular sources to particular depreciable assets. The total amount of depreciation incurred by the Board for the year ended 30 June 2008 is reported in the annual report for that year.

Australian Bureau of Statistics

- (1) Nil.
- (2) (a) The ABS committed a total of \$328,880 under regulation 10 during the period December 2007 and June 2008.
(b) Nil.
- (3) (a) The ABS had \$31.838m available as a budget for depreciation at 30 June 2008.
(b) The ABS recorded a depreciation expense of \$30.763m in the 2007-08 audited financial statements.
(c) The ABS recorded \$33.523m in the 2007-08 audited financial statements for the purchase of property, plant and equipment.

Australian Competition and Consumer Commission

- (1) Nil.
- (2) (a) \$43.683 million.
(b) Nil.

- (3) The total amount of budgeted and incurred depreciation expense and capital expenditure for the ACCC in the year ended 30 June 2008 is reported in the annual report and Budget papers for that year.

Australian Office of Financial Management

- (1) Nil.
- (2) Expenditure approved under regulation 10 of the Financial Management and Accountability Act 1997 for the Australian Office of Financial Management (AOFM) for the period 1 December 2007 to 30 June 2008 was \$2.274 million.
- (a) All of the approvals were made at the agency level by the regulation 10 delegate.
- (b) No approvals were made by the Minister for Finance and Deregulation.
- (3) Depreciation funding:
- (a) The AOFM's undrawn output appropriation as at 30 June 2008 was \$13.095 million. The AOFM does not separately account for, nor track the depreciation funding component within this figure.
- (b) The AOFM does not separately account for, nor track expenditure against the depreciation funding component of its output appropriation.
- (c) Refer to (b) above.

Australian Prudential Regulatory Authority

- (1) APRA had no material administered programmes over the calendar year 2008.
- (2) For the subject period, APRA has committed, in aggregate, to spend under Regulation 10 of the Financial Management and Accountability Act 1997:
- \$7.0 million in 2009/10
 - \$6.9 million in 2010/11 and
 - \$6.9 million in 2011/12

All commitments were approved at the APRA agency level.

- (3) \$3.4 million was made available to APRA in 2007/08, of which \$3.2 million was consumed in a depreciation funding that period. All depreciation was applied to directly replace assets for which it was appropriated.

Australian Securities and Investment Commission

- (1) Nil.
- (2) (a) For the period 1 December 2007 to 30 June 2008, ASIC's FMA Regulation 10 approvals totalled \$221.3m. For this period \$67.5m of FMA Regulation 10 approvals were given by ASIC officials.
- (b) Nil.
- (3) (a) ASIC's 2007-08 portfolio additional estimates show ASIC had depreciation funding of \$25.663m for 2007-08.
- (b) ASIC's depreciation expense for 2007-08 was \$15.6m as published in the 2007-08 financial statements.
- (c) ASIC spent \$15.6m in 2007-08 to directly replace assets for which it was appropriated.

Australian Taxation Office

- (1) Nil.
- (2) \$190 million.

- (a) \$146m approved at the agency level.
- (b) \$144m approved by the Minister for Finance and Deregulation.
- (3) The ATO's budget is allocated to priorities on the basis of need and the Government does not try to allocate funding from particular sources to particular programs. The total amount of depreciation incurred by the ATO for the year ended 30 June 2008 is reported in the annual report for that year. Asset investment decisions are individually assessed taking into account current and future needs of the ATO.

Corporations and Market Advisory Commission

- (1) Nil.
- (2) Nil.
- (3) (a) \$15,000
- (b) \$10,326
- (c) Nil.

Inspector-General of Taxation

- (1) Nil.
- (2) (a) Nil.
- (b) Nil.
- (3) The amount of depreciation provided for at 30 June of each year is publicly available in the agency's Annual Reports.

National Competition Council.

- (1) Nil.
- (2) (a) \$468,110
- (b) Nil.
- (3) (a) NCC depreciation budget for 2007-08 was \$9,000.
- (b) Depreciation expense in 2007-08 was \$107,435.
- (c) Capital expenditure in 2007-08 was \$19,734.

Productivity Commission

- (1) Nil.
- (2) (a) Nil.
- (b) Nil.
- (3) The Productivity Commission does not receive funding earmarked specifically for depreciation in its budget appropriation. Depreciation is, however, provided for by the Commission and is shown, for the year ending 30 June 2008, at page 205 of the Commission's 2007-08 Annual Report.

Royal Australian Mint

- (1) Nil.
- (2) (a) Nil.
- (b) Nil.
- (3) The Royal Australian Mint operates under Special Account and does not receive departmental funding for depreciation.

The Treasury

- (1) Nil

- (2) (a) \$34,196,453
- (b) Nil
- (3) The Treasury's budget is allocated to priorities on the basis of need and the Government does not try to allocate funding from particular sources to particular programs. The total amount of depreciation incurred by the Department of Treasury for the year ended 30 June 2008 is reported in the annual report for that year.