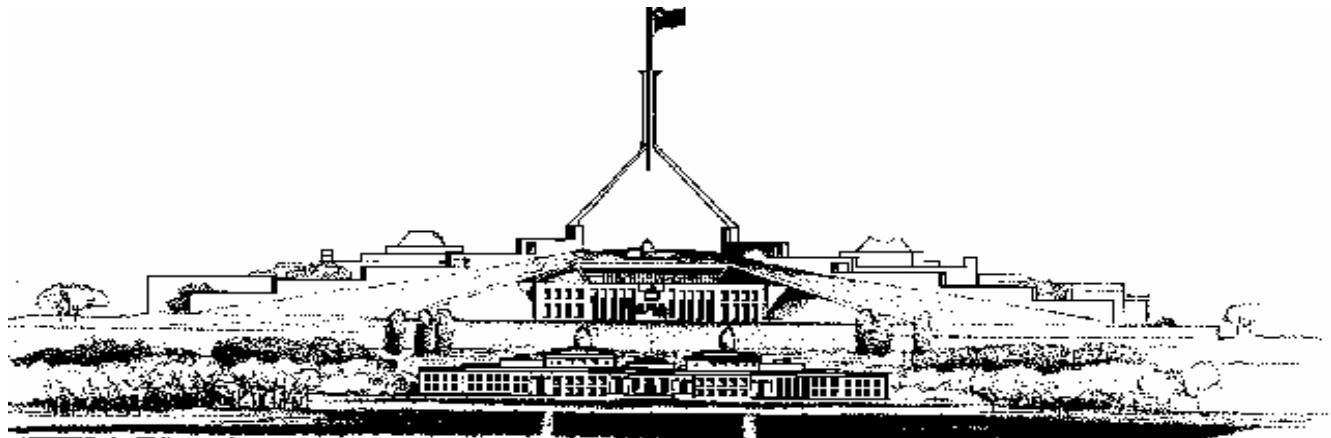




COMMONWEALTH OF AUSTRALIA

**PARLIAMENTARY DEBATES**



# **House of Representatives**

## **Official Hansard**

**No. 10, 2008**

**Wednesday, 27 August 2008**

FORTY-SECOND PARLIAMENT  
FIRST SESSION—THIRD PERIOD

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES



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## SITTING DAYS—2008

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

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<i>NORTHERN TASMANIA</i>	92.5 FM
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**FORTY-SECOND PARLIAMENT  
FIRST SESSION—THIRD PERIOD**

**Governor-General**

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

**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. Joseph Benedict Hockey 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. Brendan John Nelson 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

### 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
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
Combet, 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
Georganas, Steven	Hindmarsh, SA	ALP

### Members of the House of Representatives

Members	Division	Party
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, Christopher 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, Henry 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
Neumann, Shayne Kenneth	Blair, Qld	ALP

### Members of the House of Representatives

Members	Division	Party
Neville, Paul Christopher	Hinkler, Qld	Nats
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
Washer, Malcolm James	Moore, WA	LP
Windsor, Anthony Harold Curties	New England, NSW	Ind

**Members of the House of Representatives**

Members	Division	Party
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 Defence Procurement	Hon. Greg Combet AM, MP
Parliamentary Secretary for Defence Support	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	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	Hon. Anthony Byrne MP
Parliamentary Secretary for Social Inclusion and the Voluntary Sector and Parliamentary Secretary Assisting the Prime Minister for Social Inclusion	Senator Hon. Ursula Stephens
Parliamentary Secretary to the Minister for Trade	Hon. John Murphy MP
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

## SHADOW MINISTRY

Leader of the Opposition	Hon. Brendan Nelson MP
Deputy Leader of the Opposition and Shadow Minister for Employment, Business and Workplace Relations	Hon. Julie Bishop MP
Leader of the Nationals and Shadow Minister for Infrastructure and Transport and Local Government	Hon. Warren Truss MP
Leader of the Opposition in the Senate and Shadow Minister for Defence	Senator Hon. Nick Minchin
Deputy Leader of the Opposition in the Senate and Shadow Minister for Innovation, Industry, Science and Research	Senator Hon. Eric Abetz
Shadow Treasurer	Hon. Malcolm Turnbull MP
Manager of Opposition Business in the House and Shadow Minister for Health and Ageing	Hon. Joe Hockey MP
Shadow Minister for Foreign Affairs	Hon. Andrew Robb MP
Shadow Minister for Trade	Hon. Ian Macfarlane MP
Shadow Minister for Families, Community Services, Indigenous Affairs and the Voluntary Sector	Hon. Tony Abbott MP
Shadow Minister for Agriculture, Fisheries and Forestry	Senator Hon. Nigel Scullion
Shadow Minister for Human Services	Senator Hon. Helen Coonan
Shadow Minister for Education, Apprenticeships and Training	Hon. Tony Smith MP
Shadow Minister for Climate Change, Environment and Urban Water	Hon. Greg Hunt MP
Shadow Minister for Finance, Competition Policy and Deregulation	Hon. Peter Dutton MP
Manager of Opposition Business in the Senate and Shadow Minister for Immigration and Citizenship	Senator Hon. Chris Ellison
Shadow Minister for Broadband, Communications and the Digital Economy	Hon. Bruce Billson MP
Shadow Attorney-General	Senator Hon. George Brandis
Shadow Minister for Resources and Energy and Shadow Minister for Tourism	Senator Hon. David Johnston
Shadow Minister for Regional Development, Water Security	Hon. John Cobb MP

**[The above constitute the shadow cabinet]**

### **SHADOW MINISTRY—*continued***

Shadow Minister for Justice and Border Protection; Assisting Shadow Minister for Immigration and Citizenship	Hon. Chris Pyne MP
Shadow Special Minister of State	Senator Hon. Michael Ronaldson
Shadow Minister for Small Business, the Service Economy and Tourism	Steven Ciobo MP
Shadow Minister for Environment, Heritage, the Arts and Indigenous Affairs	Hon. Sharman Stone MP
Shadow Assistant Treasurer and Shadow Minister for Superannuation and Corporate Governance	Michael Keenan MP
Shadow Minister for Ageing	Margaret May MP
Shadow Minister for Defence Science and Personnel; Assisting Shadow Minister for Defence	Hon. Bob Baldwin MP
Deputy Manager of Opposition Business in the House and Shadow Minister for Business Development, Independent Contractors and Consumer Affairs	Luke Hartsuyker MP
Shadow Minister for Veterans' Affairs	Hon. Bronwyn Bishop MP
Shadow Minister for Employment Participation and Apprenticeships and Training	Andrew Southcott MP
Shadow Minister for Housing and Shadow Minister for Status of Women	Hon. Sussan Ley MP
Shadow Minister for Youth and Sport	Hon. Pat Farmer MP
Shadow Parliamentary Secretary Assisting the Leader of the Opposition and Shadow Cabinet Secretary	Don Randall MP
Shadow Parliamentary Secretary Assisting the Leader of the Opposition and Shadow Parliamentary Secretary for Northern Australia	Senator Hon. Ian Macdonald
Shadow Parliamentary Secretary for Health	Senator Hon. Richard Colbeck
Shadow Parliamentary Secretary for Education	Senator Hon. Brett Mason
Shadow Parliamentary Secretary for Defence	Hon. Peter Lindsay MP
Shadow Parliamentary Secretary for Infrastructure, Roads and Transport	Barry Haase MP
Shadow Parliamentary Secretary for Trade	John Forrest MP
Shadow Parliamentary Secretary for Immigration and Citizenship	Louise Markus MP
Shadow Parliamentary Secretary for Local Government	Sophie Mirabella MP
Shadow Parliamentary Secretary for Tourism	Jo Gash MP
Shadow Parliamentary Secretary for Ageing and the Voluntary Sector	Mark Coulton MP
Shadow Parliamentary Secretary for Foreign Affairs	Senator Marise Payne
Shadow Parliamentary Secretary for Families and Community Services	Senator Cory Bernardi

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*Wednesday, 27 August 2008*

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

**PERSONAL EXPLANATIONS**

**Mr DANBY** (Melbourne Ports) (9.01 am)—Mr Speaker, I wish to make a personal explanation.

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

**Mr DANBY**—Yes.

**The SPEAKER**—Please proceed.

**Mr DANBY**—This is the first opportunity I have had since the last session of parliament and the busyness of yesterday to respond to a story that ran in the Melbourne *Age*, ‘ALP interest in funds probe’, on 21 June 2008. Unfortunately, the *Age* did not speak to me prior to publishing this article, which implied I was linked to the former Director of the Australian-American Association, Tony McAdam, who is being investigated for fraud. The central implication of this article is false. In seeking to link me to this alleged fraud, the article states:

It is understood Mr McAdam has assisted Mr Danby on some of his political campaigns.

Far from having any current association with Mr McAdam, I ceased contact with him years ago, prior to the events described in the article.

The *Age* article suggested I had a defensive ‘interest in the police investigation’. It is quite the opposite. I encouraged solicitors to financially liquidate this organisation if it failed to produce financial reports. Further, the *Age* claimed that I retained an influence after 2002 on the Australian-American Association, where I sought to protect Mr McAdam. The article says:

... Mr Danby, a former association president and committee member, retained considerable influence over the organisation ...

To the contrary, I have not been a member of the organisation, involved in its management or attended its meetings since 2002.

During the parliamentary break, I did the normal thing: I sought correction from Mr Jaspan, the editor of the *Age*, whose response was to quote from a letter to the editor by Mr McAdam. The *Age* response quotes Mr McAdam:

It is true I have had a long-standing friendship with Michael Danby—

but the *Age* left out the rest of the sentence, which was—

... although we have not talked for some time.

Mr McAdam also admitted:

He—

That is, Mr Danby—

has had no involvement with the AAA for many years and to suggest otherwise is quite wrong.

I will leave aside the bigotry identified by Senator Robert Ray when he referred in the Senate to the obsessive focus on me by the back page of the *Age*. Senator Ray referred to the *Age*’s gossip columnist as:

a sneering anti-Semite kind of journalist that I detest.

I will set aside the fact that the *Age* has censored every opinion article I have submitted since being elected in 1998. My constituents and the tolerant liberal majority of this country can decide for themselves what motivates this pattern of defamation, bigotry and censorship. Lastly, at least I can respond here in this great parliament; what is the fate of the reputation of any ordinary citizen who takes on such a media behemoth with their millions of dollars of defamation insurance?

**SOCIAL SECURITY AND VETERANS'  
ENTITLEMENTS LEGISLATION  
AMENDMENT (SCHOOLING  
REQUIREMENTS) BILL 2008**

**First Reading**

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

Bill read a first time.

**Second Reading**

**Ms GILLARD** (Lalor—Minister for Education, Minister for Employment and Workplace Relations and Minister for Social Inclusion) (9.04 am)—I move:

That this bill be now read a second time.

The Social Security and Veterans' Entitlements Legislation Amendment (Schooling Requirements) Bill 2008 amends the Social Security (Administration) Act 1999, the A New Tax System (Family Assistance) Act 1999, the Student Assistance Act 1973 and the Veterans' Entitlements Act 1986. The bill gives effect to measures announced in the 2008-09 budget under a package of welfare payment reform initiatives, with this bill enabling implementation of the improving school enrolment and attendance through welfare reform measure.

Disturbingly, it is estimated that up to 20,000 Australian children of compulsory school age may not be enrolled in school. Many more are not attending school regularly enough to meet any reasonable benchmark.

We cannot have an education revolution and give every Australian child a world-class education if they are not going to school.

We will not be able to improve literacy and numeracy or increase the year 12 retention rate if kids are not turning up for class.

We know that students who are regularly absent from school are those at greatest risk of dropping out early from school, becoming

long-term unemployed, becoming dependent on welfare and, tragically, in some cases interacting with the criminal justice system.

The majority of parents do the right thing by enrolling their children in school and endeavouring to support their children's attendance at school. They do everything in their power to make sure their children are enrolled and regularly attending school. This legislation acknowledges the efforts of these parents by placing a minimal impost on them.

Parents with children of compulsory school age who are affected by the measure will need to provide Centrelink with details about their child's school enrolment.

Consistent with current responsibilities, state education authorities and non-government schools will be responsible for monitoring school attendance. In those cases where children have unsatisfactory school attendance and their parents do not take reasonable steps to work with the school to address the situation, the education authority or school can choose to notify Centrelink.

Centrelink will attempt to engage those parents who are in receipt of income support, alerting them to their responsibilities and offering assistance to help them overcome any barriers that may be impacting on their ability to satisfy the requirements of the school.

Centrelink will draw on the expertise of their social workers in dealing with parents who may be experiencing particular difficulties.

The bill acknowledges that some children, particularly young adults, do not have satisfactory school attendance despite concerted actions by parents to encourage regular school participation. Under the measure, parents who are taking reasonable steps to ensure their children attend school will be considered to be satisfying their requirements.

For those few parents who persistently refuse to enrol their children in school or support their children to attend school, the bill provides Centrelink with the ability to suspend income support payments until parents meet their requirements.

Suspension of payments would only be used as a last resort following repeated attempts to engage a parent over a considerable period of time and would only be applied in those cases where a parent has not provided a reasonable excuse or there are some other special circumstances accounting for their inability to comply.

Once a suspension period commences, parents will have at least a further 13 weeks to meet their requirements in relation to the schooling of their children. If they comply within this period, parents will have their payments restored with full back pay.

In certain circumstances, restoration and back pay of payments may also extend to suspension periods in excess of 13 weeks.

Only in the most extreme cases of parental noncooperation, where there is no evidence of a reasonable excuse or special circumstance, and only after a minimum of 13 weeks of suspended payments, it may be appropriate to cancel income support payments.

If any parents find themselves in this situation they will have the normal rights of appeal guaranteed by the social security law, and payment will continue pending the outcome of any appeal.

A decision to suspend a parent's income support will not be taken lightly. It will be a last resort where it can be shown that the parent has failed, despite help from the school and Centrelink, to exercise their basic responsibilities—their basic responsibilities to have their child enrolled and attending school.

It is anticipated that a very small number of parents will have their income support payments suspended and even less, if any, will have their payments cancelled. The bill has been carefully developed to ensure that mechanisms are available to minimise any adverse effects on parents and their families as an outcome of suspended income support payments.

For example, even though a parent may not have satisfied their requirements under the measure, the bill allows for the temporary lifting of a suspension as an inducement to encourage parental cooperation. Family tax benefit will not be affected by the measure and will continue to be payable, subject to normal eligibility.

The program will initially be trialled in eight sites affecting around 3,300 children from the beginning of 2009 and will be evaluated in 2010.

The Minister for Families, Housing, Community Services and Indigenous Affairs has already announced a number of sites where these measures will be trialled. These announcements were made on 20 June and 17 July.

Six of these sites will be in the Northern Territory, and there will be metropolitan sites including Cannington in Western Australia. One site is yet to be finalised.

If the trials are successful in getting kids to school and keeping them in the classroom, the legislation will allow for the national rollout of the policy.

We hope that we do not have to use this legislation. We hope that parents will do the right thing and make sure they are giving their children the best possible start in life, and the best possible start in life includes being enrolled and regularly attending school.

I have noted with interest the reaction of the opposition to this measure. The Leader of the Opposition and the member for Warringah seem to think that trying to ensure students are going to school is a 'stunt' or some kind of 'populist' policy dreamed up on the run.

Could I point out to the opposition—and I understand that they may be struggling at the moment—that if they kept up with normal parliamentary processes they would be aware that this measure was budgeted for in the May budget and they would be aware that the Minister for Families, Housing, Community Services and Indigenous Affairs made important public statements on the matter in late June and in mid-July.

I am confident that this measure will lead to greater focus on the need for all children to attend school regularly, and better collaboration between agencies and communities to ensure that they do. The government is committed to an education revolution. An education revolution must be an education revolution for every Australian child. For every Australian child to benefit, they must be enrolled and attending school. This is this bill's purpose: to ensure the very simple thing that children are enrolled and attending school.

I call on the opposition to support the government's efforts to ensure that every Australian child is given the opportunity to have a world-class education.

I commend the bill to the House.

Debate (on motion by **Mrs Bronwyn Bishop**) adjourned.

#### **OFFSHORE PETROLEUM AMENDMENT (DATUM) BILL 2008**

##### **First Reading**

Bill and explanatory memorandum presented by **Mr Martin Ferguson**.

Bill read a first time.

##### **Second Reading**

**Mr MARTIN FERGUSON** (Batman—Minister for Resources and Energy and Minister for Tourism) (9.14 am)—I move:

That this bill be now read a second time.

Given the important but technical nature of the amendment, I am pleased to introduce this bill into parliament.

This bill makes a minor technical amendment to the datum provisions included in the current Offshore Petroleum Act 2006 (OPA). There have been no policy changes.

Mr Speaker, I would now like to explain the rationale to members for the amendment contained in this bill.

Members may recall the amendments made to the datum specified in the Offshore Petroleum Act as part of the Offshore Petroleum (Miscellaneous Measures) Act 2008 in response to the government's Australian Spatial Data Infrastructure Program. This involved the move from the Australian Geodetic Datum, known as AGD66, to the Geocentric Datum of Australia, known as GDA94. The amendments in the Offshore Petroleum Amendment (Miscellaneous Measures) Act 2008 commenced on 1 July 2008.

This bill will correct an error resulting from a technical oversight in the Offshore Petroleum Amendment (Miscellaneous Measures) Act 2008 which inadvertently replaced all references to the AGD66 with the GDA94. Although the advent of global positioning systems justifies the adoption of an international 'geocentric' (earth centred) datum, the Offshore Petroleum Act still needs to refer to the AGD66 for the purposes of determining the position of graticular sections or blocks and refer to GDA94 for certain other purposes, including describing coordinates of a point in a title.

If graticular sections or blocks are determined by reference to GDA94, as currently required by the Offshore Petroleum Act, the grid used to determine the position of the titles will move approximately 200 metres in a north-easterly direction from a grid that refers to AGD66. This outcome was not the policy intention of the Offshore Petroleum (Miscellaneous Measures) Act 2008 and would cause concern and uncertainty for industry if not corrected. This bill will correct the technical error.

This bill sets out provisions to make a technical correction to ensure that AGD66 and GDA94 are used as originally intended. The amendments in the bill are proposed to be retrospective from 1 July 2008 to benefit industry by removing uncertainty about title boundaries for petroleum titles, ensuring alignment between existing and future titles, and facilitating the award of new exploration permits and release of new exploration acreage. There are no adverse effects on industry. I commend the bill to the House and I await the major contributions of members to this very important technical debate.

Debate (on motion by **Mrs Bronwyn Bishop**) adjourned.

#### **INTERNATIONAL TAX AGREEMENTS AMENDMENT BILL (No. 1) 2008**

##### **First Reading**

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

Bill read a first time.

##### **Second Reading**

**Mr BOWEN** (Prospect—Minister for Competition Policy and Consumer Affairs, and Assistant Treasurer) (9.18 am)—I move:

That this bill be now read a second time.

This bill gives the force of law to a new tax treaty with Japan. The new convention, which will modernise and enhance the bilateral tax arrangements between Australia and

Japan, was signed in Tokyo on 31 January 2008. It replaces the existing tax treaty that has been in place since 1969. This bill will insert the text of the new convention into the International Tax Agreements Act 1953 and repeal the existing treaty.

Tax treaties facilitate trade and investment by minimising tax barriers between treaty partner countries. The importance of tax treaties is magnified where the economic relationship is as significant as that between Australia and Japan. The new convention underlines the strength of the modern and sophisticated bilateral ties between the two countries.

Japan is Australia's third largest investor. Direct investment by Japan continues to play a key role in the development of many Australian industries, including export industries such as car manufacturing and natural resource development activities that have driven Australia's export performance. Australia is now one of the largest recipients of offshore investment by Japanese mutual funds. From Australia's perspective, Japan is the fourth largest destination of Australian investment abroad while also being Australia's largest export market for more than 40 years.

Responding to the needs of both Australian and Japanese business, the new convention comprehensively updates the existing tax treaty arrangements with Japan. Key outcomes from the convention include:

- lower withholding taxes on dividend and royalty payments for businesses looking to expand offshore and to obtain access to valuable intellectual property;
- specified interest withholding tax exemptions that will facilitate more competitive and accessible cross-border debt arrangements; and

- broadly aligning capital gains tax treatment with international practice and with Australia's domestic law.

The treaty also ensures Australia's revenue base is appropriately protected by:

- preserving taxing rights over income from real property and income arising from activities related to Australia's natural resources; and
- enhancing information exchange provisions which allow the tax administrations of both countries to share tax information.

Public submissions received as part of the review of Australia's tax treaty program and policy announced by the government earlier this year strongly supported the outcomes of this convention.

The new convention will enter into force 30 days after both countries advise that they have completed their domestic requirements, which, in the case of Australia, includes enactment of this bill.

The treaty has been considered by the Joint Standing Committee on Treaties, which has recommended that binding treaty action be taken.

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

Debate (on motion by **Mrs Bronwyn Bishop**) adjourned.

**TAX LAWS AMENDMENT  
(POLITICAL CONTRIBUTIONS AND  
GIFTS) BILL 2008**

**First Reading**

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

Bill read a first time.

**Second Reading**

**Mr BOWEN** (Prospect—Minister for Competition Policy and Consumer Affairs, and Assistant Treasurer) (9.22 am)—I move:

That this bill be now read a second time.

This bill abolishes income tax deductions for political contributions and gifts. It was an election commitment by the new government to remove tax deductibility for donations made to political parties. Independent candidates and independent members would also be covered. This commitment was made as part of 'Labor's \$3 Billion Savings Plan', which was announced on 2 March 2007.

This measure saves just over \$10 million per annum.

In addition, this bill ensures that political parties, independent members and independent candidates will not lose access to certain GST concessions to which they may be currently entitled as a consequence of the removal of income tax deductibility for gifts or contributions.

This measure was introduced as part of Tax Laws Amendment (2008 Measures No. 1) Bill 2008 earlier this year but was rejected in the other place.

I strongly urge the opposition to reconsider their approach to this measure which forms part of the government's response to inflationary pressures in the economy and our savings plan. This measure and other savings measures are an important component of our effort to put downward pressure on inflation and interest rates.

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

Debate (on motion by **Mrs Bronwyn Bishop**) adjourned.

**THERAPEUTIC GOODS  
LEGISLATION AMENDMENT  
(ANNUAL CHARGES) BILL 2008**

**Second Reading**

Debate resumed from 18 June, on motion by **Mr Shorten**:

That this bill be now read a second time.

**Mr COULTON** (Parkes) (9.24 am)—It is widely accepted in the international pharmaceutical industry that Australia has one of the best systems for the delivery of drugs to the community at a high level of safety and efficacy and also at a realistic price. Australians, quite rightly, have an expectation that therapeutic products available to them are safe and of high quality. This, in fact, is enshrined in legislation. The Therapeutics Goods Act 1989, which came into effect in 1991, provides a national framework for the regulation of therapeutic products supplied, sold in or exported from Australia. Up until 1938, drugs abounded in this country and, as there was no regulation, the community had to wade their way through some fairly outrageous claims. All this was set to change with the introduction of two bills: the Therapeutic Substances Act 1937 and the Therapeutic Substances Act 1938. However, due to the disruption of the war years, they were not proclaimed until the end of November 1938. These acts stated that from that time therapeutic goods should comply with the following basic requirements:

- (a) they shall be true to a determined standard, that standard having an official and legal status;
- (b) they shall be free from contaminations, more especially from bacterial contamination;
- (c) they must be properly and safely packed;
- (d) they must be accurately labelled as to dosage.

The issue of safety and efficacy of therapeutic goods was then handed over to the NHMRC to discuss. The implementation of

its subsequent recommendations was then passed to the states. Not unexpectedly, the implementation left much to be desired. On 25 November 1953 the Senate heard a report on a recent examination of drugs supplied under the medical benefits scheme. Of 10 drugs subjected to 100 separate tests, seven contained substandard products. Of the 110 individual products tested, 41 per cent failed to meet official requirements. The regulation of therapeutic goods started to be taken seriously with the introduction of the Therapeutic Goods Act 1966, which basically sought to establish standards for therapeutic goods.

In 1974 a restructure of the Department of Health created a therapeutics division consisting of the pharmaceutical benefits branch and the therapeutic goods branch. This division went through a gradual metamorphosis into today's Therapeutic Goods Administration—or TGA—which came into being in 1986. Today the TGA is a regulatory authority which oversees medicines and medical devices in this country. Most products for which therapeutic claims are made must be assessed by the TGA. The TGA then enters these products onto the Australian Register of Therapeutic Goods, or ARTG, before they can be marketed in this country. The ARTG records all products approved for marketing, the ingredients contained in each product and the therapeutic claims being made about them.

The TGA is generally considered a good regulator. You could say that a good regulator strikes a good balance between the adequate protection of consumers and not placing undue restriction on the industry. In fact, good regulation enhances customer confidence and encourages innovation and trade and therefore can be a great benefit to the industry. I believe the TGA in this country strikes such a balance. Australia has a high-risk system where the level of regulatory control of a therapeutic product is based on

the relative safety of the product and the seriousness of the condition for which it is used. Therefore, entries made by the TGA onto the ARTG are classified as either 'registered' or 'listed' or, in the case of medical devices, 'included'.

For all medicines which require registration, the TGA conducts a comprehensive evaluation of the data submitted in support of an application. They can ensure that the quality, safety and efficacy of the product is of an acceptable standard. For each product submitted to the TGA for approval, extensive toxicology, pharmaceutical chemistry and clinical data are required. On the other hand, non-prescription complementary medicines are subject to less rigorous evaluation and have lesser data requirements. That is because these products are only meant to be used to treat minor self-limiting conditions. So the TGA focuses more on quality and safety than on effectiveness. The TGA also takes into account the fact that comprehensive scientific data may not be available for herbal and alternative medicines but that lower level evidence may be available to demonstrate a long history of safe use. These products are 'listed' rather than 'registered' on the ARTG.

Medical devices are classified into one of five risk classes based upon the manufacturers' intended use, the level of risk and their degree of invasiveness. All are set minimum requirements for safety, quality and performance and are then 'included' in the ARTG. Compliance with these minimum requirements may be demonstrated through meeting internationally accepted standards or assessment of design dossiers.

The TGA conducts a post-market monitoring and compliance program. All of these processes are costly. The TGA's chief source of revenue is through the collection of annual charges, evaluation and assessment fees and

licence fees. With the implementation of the act in April 1991, the then government announced that the TGA would recover 50 per cent of its operating costs through fees and charges collected from the therapeutic goods industry. Following the 1996 election, and as part of the budget deficit reduction strategy, the coalition government announced it would increase the level of cost recovery for TGA activities to 75 per cent, to be phased in over the following three financial years, commencing 1996-97, and subsequently to full cost recovery in 1998-99. Since that time there has been a marked improvement in efficiency by the TGA, including shorter evaluation times, the pursuit of a mutual recognition agreement with the European Union on medical devices and medicines, and a system through which Australia could receive automatic approval where goods have been assessed by recognised bodies. The TGA now has a mutual recognition agreement on medicines with Singapore. There have also been substantial reductions in approval times for listed medicines through the introduction of the electronic lodgement facility and the medical devices electronic application lodgement system.

In December 2002 the government released guidelines for cost recovery by government agencies in response to Productivity Commission report No. 15, *Cost recovery by government agencies*. The guidelines require significant cost recovery agencies such as the TGA to comply with broad cost recovery principles and to undertake a review of existing cost recovery arrangements at least every five years. The TGA's cost recovery arrangements were reviewed in May 2005 and they were found to be consistent with the guidelines. The TGA meets annually with peak industry representatives to discuss the TGA's schedule of fees and charges for the forthcoming financial year. The TGA industry consultative committee met on 12 June

this year and, as usual, there were few hiccups.

The Therapeutic Goods Legislation Amendment (Annual Charges) Bill 2008 makes a number of principal amendments to the Therapeutic Goods Act 1989 and the Therapeutic Goods (Charges) Act 1989, which are set out in schedule 1. The bill deals with charges and fees paid by companies registering a therapeutic good, mainly a drug, to the Therapeutic Goods Administration. The bill states that annual charges paid by manufacturers of therapeutic drugs—for example, drug companies—will be payable on the same day. At the moment that date is set as the date of entry of the product in the ARTG or the date the manufacturing licence was granted and then the anniversary of that date annually. Under the amendment, there will be a uniform date across the board. Nominally that will be 1 October. This reflects more accurately how the process is done in practice.

Key industry groups in this area are generally accepting of the cost recovery system when applied to the TGA. However, in return they do expect ongoing improvements in efficiency and effectiveness. According to the Department of Health and Ageing's annual report 2006-07, the TGA had net assets of \$13,975,000. Given that this bill is a cost recovery bill only, we urge the TGA to use some of its ample resources wisely to process reform. With the introduction of this bill, the TGA charges can now be set at nil, so that allows some flexibility within the system. Both the Therapeutic Goods (Charges) Act and the Therapeutic Goods Act contain provisions for the reduction or waiver of annual charges. This bill repeals the provisions from the Therapeutic Goods (Charges) Act and inserts them into the Therapeutic Goods Act instead.

Another subsection deals with therapeutic goods with low value and low turnover. These therapeutic goods must have such a low value or turnover that the fees are greater than 6.8 per cent of the wholesale turnover of the good for the 2006-07 financial year or have no turnover in 2006-07. Until now an application for low value, low turnover did not need to be supported by any evidence. The amendment states that the regulations require a group that has applied for or that has been given an annual charge exemption on the basis of low turnover must now provide a supporting statement. That statement must be by an approved third party such as a certified accountant or an auditor. The statement has to specify whether the person's turnover of the therapeutic goods for the financial year concerned is actually of low value. The TGA is an important institution in this country. This bill does not impair the proceedings of the TGA and we will support this bill.

**Ms HALL** (Shortland) (9.34 am)—As the previous speaker stated, the Therapeutic Goods Legislation Amendment (Annual Charges) Bill 2008 is a noncontroversial piece of legislation, and we would expect the opposition to support it because it makes for better operation of the Therapeutic Goods Act. This bill amends the Therapeutic Goods Act 1989 to make a number of changes to the existing regime for the imposition and collection of annual charges. It also provides transparency and clarity in the granting of exemptions from liability to pay annual charges due to low turnover of therapeutic goods and it makes other technical and consequential changes.

I think it is really important to mention the need for transparency and clarity. The previous government did not always have that as one of its goals, but one of our goals has always been to ensure that transparency exists. The Therapeutic Goods Act requires that a

therapeutic good must be registered, listed or included on the Australian Register of Therapeutic Goods before it can be lawfully imported into, manufactured in, supplied in or exported from Australia. The Therapeutic Goods Act generally requires a person to obtain a manufacturing licence to manufacture goods in Australia. An annual charge is payable in respect of the registration, listing or inclusion of therapeutic goods on the register and in respect of manufacturing licences under the Therapeutic Goods Act. Annual charges are considered to be taxes and, as such, are imposed by a separate taxing act.

The new requirements provided in this legislation will come into effect on 1 July next year. As you can see, the government is giving adequate time for the legislation to pass through the House and go through all stages before it comes into effect. It is not a last minute approach to the introduction of the legislation. The government takes all legislation very seriously.

It is important to note that there are currently around 50,000 registrations, listings and inclusions in the register that are liable for annual charges every year. In addition, a significant number of new entries are made each and every year. The TGA is unable to predict the dates when entries are to be made in the register for a particular therapeutic good and consequently issue the invoice for the annual charges prior to the entry. Therefore, it is a difficult task for the TGA to issue a separate invoice for each entry and seek payment for the annual charge on the date of regulatory approval in the first financial year and on the anniversary in subsequent years. Some sponsors have a significant number of registered, listed or included goods on the register, and payment of the annual charges for these sponsors would also be a difficult task if they had to pay for individual goods on the basis of commencement dates and subsequent anniversaries. Therefore, the bill

includes amendments for the fixing of a uniform date for the payment of annual charges. This makes for the smooth running of the register.

Sponsors with low turnovers of therapeutic goods are currently entitled to an exemption from the liability to pay annual charges in relation to those goods. Under the current provisions, the TGA does not have the power to seek evidence verifying the eligibility of a person applying for, or who has been granted, the exemption from paying the annual fee. The Australian National Audit Office has raised some concerns about the lack of the TGA's ability to review the eligibility of sponsors applying for or who have been granted exemptions.

Amendments are also required to ensure that the Therapeutic Goods Act 1989 supports regulations prescribing all the necessary requirements relating to the lodgement. The amendments in this bill address those concerns and will provide greater clarity, transparency and accountability in the processing and granting of this exemption. That is the issue that I think is very important—that this transparency, clarity and accountability will exist. It will get rid of the grey areas and ensure that the TG Act and the register operate in the way that they are meant to.

**Ms KATE ELLIS** (Adelaide—Minister for Youth and Minister for Sport) (9.40 am)—I would like to thank the members who have taken part in the debate on the Therapeutic Goods Legislation Amendment (Annual Charges) Bill 2008. As the second reading explained, this bill amends the Therapeutic Goods Act 1989 and the Therapeutic Goods (Charges) Act 1989, relating to the collection and imposition of annual charges and to provide more transparency and accountability in the granting of exemptions from liability to pay annual charges

because of low-value turnover of therapeutic goods.

The amendments allowing for the setting of a uniform date for payment of annual charges will provide administrative efficiencies for the Therapeutic Goods Administration and stakeholders. These amendments will, for example, allow sponsors of therapeutic goods that are entered in the Australian Register of Therapeutic Goods to pay all annual charges on one particular date instead of on different dates within the financial year that are based on the anniversary dates of the entry of those goods.

The bill also introduces amendments to the current exemption from liability to pay annual charges because of low-value turnover of therapeutic goods. The amendments will require persons applying for or who have already been granted an exemption to provide evidence certified by an approved person to support their eligibility for the exemption. The bill also provides for the making of regulations that will set out additional details on the processing, granting and cancellation of the exemption. These amendments, therefore, will provide greater clarity, transparency and accountability in that processing and granting of an exemption. In addition to other technical and consequential amendments, the bill also makes it clear that an annual charge can be set at nil amounts. 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

**Ms KATE ELLIS** (Adelaide—Minister for Youth and Minister for Sport) (9.43 am)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

### FINANCIAL FRAMEWORK LEGISLATION AMENDMENT BILL 2008

#### Second Reading

Debate resumed from 26 June, on motion by **Mr Tanner**:

That this bill be now read a second time.

**Mr DUTTON** (Dickson) (9.43 am)—I rise to speak on the Financial Framework Legislation Amendment Bill 2008. This bill will continue the coalition's work to promote transparent and accountable government finances for Australian government departments, agencies, Commonwealth authorities and Commonwealth companies which are predominantly contained in the Financial Management and Accountability Act 1997 and the Commonwealth Authorities and Companies Act 1997.

The bill amends the Financial Management and Accountability Act 1997 to clarify the operation of the law, rather than changing it substantively, and allows for more efficient processes. The bill also amends the Albury-Wodonga Development Act 1973, the Public Service Act 1999, the Reserve Bank Act 1959 and the Defence Home Ownership Assistance Scheme Act 2008 to correct typographical errors and to make provisions in those acts consistent with the Commonwealth Authorities and Companies Act 1997.

The coalition supports any move to improve the transparency and accountability of government finances and to reduce the red-tape burden on government agencies and on business, particularly small business. I also note that this bill continues the work of the previous coalition government to improve and refine the financial governance arrangements for the Australian government. These changes have come about based on experience with the FMA Act, which has been in

operation since 1997. This bill is the fifth bill of its type since the FMA Act was introduced. The act was introduced by the coalition in 1996 as part of a package of four bills and associated measures designed to modernise controls on Commonwealth finances and over businesses owned or operated by the Commonwealth. The act brought a greater degree of uniformity and clarity to financial reporting standards applying to Commonwealth authorities and established standards of conduct for those engaged in the management of these entities. These amendments build on the act and are aimed at improving governance and accountability arrangements for bodies within the Australian government.

As I have said before in this place, the coalition has a track record when it comes to improving governance, accountability and transparency across a range of areas. We introduced accrual accounting to provide details of the full cost of service delivery. For the first time, we in government published a balance sheet for the general government sector and the whole of the public sector. When Labor was last in government it had no idea, and as a result we had no idea, of the value of government assets or key liabilities, such as the unfunded superannuation liability.

The coalition introduced for the first time consolidated, whole-of-government financial reports audited by the Auditor-General and the output-outcomes framework to place the focus on what was actually being delivered for the money spent. We also introduced legislation to bring 2,800 Aboriginal and Torres Strait Islander corporations up to date with modern corporate governance and accountability standards. In 2003 it was the coalition that established the Defence Materiel Organisation, or the DMO, as a prescribed agency, giving Australia's largest project management organisation greater responsi-

bility and accountability in providing better procurement to ensure equipment was delivered on time and on budget.

The coalition paid attention to making migration settlement programs outcome oriented, accountable and focused on delivering services that ensured migrants, refugees and humanitarian entrants became independent, active participants in Australian society as quickly as possible. When Labor was last in government, settlement grants were distributed on political grounds rather than according to community need, while poor management and lack of accountability jeopardised settlement program delivery.

There is much debate in the community at the moment about the state of the Australian economy. I will take this opportunity to discuss some of the concerns the coalition has about the direction in which this government is headed under a Treasurer and a Prime Minister who clearly have no financial or economic capacity to manage a \$1.1 trillion economy. I draw the attention of the House to lending data for June showing a decline in the seasonally adjusted value of finance extended for owner-occupied dwellings, which is down 1.1 per cent, and commercial finance, which is off two per cent. The seasonally adjusted series for the value of total personal finance commitments rose by 5.8 per cent. In fact, in seasonally adjusted terms, the total value of dwelling finance commitments, excluding alterations and additions, decreased by 0.9 per cent in June. Owner-occupied housing commitments decreased 1.1 per cent and investment housing commitments 0.3 per cent. In July this year, 85,411 new motor vehicles were sold. That is a seasonally adjusted figure and is 3.4 per cent lower than the total for June and 4.1 per cent lower than one year ago.

The seasonally adjusted estimate of turnover for the Australian retail and hospitality

services series decreased by one per cent in June in nominal terms and by 0.6 per cent in volume terms. This follows a revised increase of 0.9 per cent in May. The June results were lower than market expectations. Annual growth in the Westpac-Melbourne Institute leading index of economic activity fell to 2.1 per cent in May, which is well below the index's long-term trend of 3.9 per cent. The coincident index fell from 3.2 per cent in April to three per cent in May, remaining below its long-term trend of 3.8 per cent.

I turn now to business confidence. The government's record in this regard is shameful in such a short period. The National Australia Bank monthly business survey indicates that confidence remained steady at negative nine points in July to be at its lowest level since September 2001. The measure has fallen 24 points since last June and 15 points since November 2007. The May 2008 quarterly Sensis Business Index shows that small business confidence in the Commonwealth government has fallen 53 percentage points since the election of the Rudd government in November last year. I repeat that statistic: the May 2008 index shows that small business confidence in the federal government has fallen 53 percentage points since its election only eight months ago.

It is an amazing story in relation to not only business confidence but also consumer confidence slumping. The August Roy Morgan consumer confidence rating is 90.1, which is the lowest since December 1991. It is down 1.9 per cent from July 2008 and it is 35.1 points lower than the figure in August 2007. The August 2008 Westpac-Melbourne Institute consumer sentiment index is currently 86.2 per cent, which is a recovery from the July figure of 79 per cent, which was the lowest level since July 1992. Obviously this index is below 100, showing negative sentiment. It is 22.4 points below the

figure in August 2007 and it has fallen 24.3 percentage points since the election in November last year.

The June 2008 Sensis Consumer Report indicated a net balance of 35 per cent of Australians reporting confidence in their financial prospects for the year ahead. That is a fall of nine percentage points from last quarter alone, bringing confidence to the lowest point recorded since the start of the Sensis Consumer Report, in May 2004. Over the past six months, confidence levels amongst consumers have fallen by 26 percentage points. Only 22 per cent of Australian households believe they are better off now compared to a year ago, which is down three percentage points in the past quarter. That is the lowest level recorded in the history of the Sensis Consumer Report. Nearly 80 per cent of Australian households believe that they are no better off than they were a year ago.

In conclusion, I just want to say that this really underscores the fact that, far from instilling business and consumers with confidence, this government is detracting from that very prospect. At the moment, we are seeing a considerable slowing in growth, largely because the Australian business community and the Australian consumers have no confidence in where this government is headed. The view in the small business community in particular is one of great uncertainty. They do not know what the next month holds let alone what the next 12 months hold under this government. They know that there are international factors at play—nobody denies that—but what underscores the difficulty being experienced by small business at the moment is that they believe that this government does not have the policy settings to deal with those international factors. That is the very distinct point that needs to be made about the management of the Australian economy, a \$1.1 trillion economy, under Kevin Rudd and Wayne

Swan and the management under the coalition when we were in government. The coalition when in government experienced international factors, including a downturn in the United States economy—in fact, a recession in the United States in 2001. We dealt with the economy after 9-11, which belted confidence out of business because they did not know exactly what the future held for their business and indeed for the country as a result of the terrorist attacks. We withstood the SARS threat, which went close to crippling our tourism industry. But confidence remained in the ability of the government of the day to deal with those issues.

The point that needs to be made is that over the last eight months this government has demonstrated it has no capacity to deal with those international factors and mitigate them and provide certainty for small business. If small business are not certain about their environment and their future, they will not invest in staff, they will not build new factories, they will not buy new motor vehicles and they will not put capital back into their business to grow their businesses in the way that they did during the last 10 or 11 years. That is the situation we find ourselves in at the moment and it is why this government needs to come to the dispatch box now and explain itself. The Assistant Treasurer is busily writing away and making notes—I will send him a copy of the *Hansard* later on. He needs to come to the dispatch box now and explain to the Australian people why this government has belted the confidence out of the marketplace.

There are literally tens of thousands of Australians in casual and part-time employment at the moment who are having their hours cut. There are thousands of employees who are being retrenched. Imagine telling small business 12 or 18 months ago that they would find themselves in the position where they would have to put staff off or cut back

their hours. In their view, that situation was completely unimaginable. Those members opposite who have no experience in small business whatsoever have no idea, frankly, of what we are talking about when we say that small business are in a very different environment today than they were 12 months ago. The reality is that this is a government not for small business. It is not about creating the circumstances where business feel confident about employing staff or where consumers feel confident about making purchases and supporting the growth of the Australian economy. As I say, it is the reason that the Assistant Treasurer and this government need to come to the dispatch box now to apologise to Australian business for the way in which they have conducted their economic policy over the last eight months. This minister needs to apologise to Australian consumers, particularly families who are having their hours at work cut right now because business do not feel confident about retaining staff in an uncertain environment. That is the onus that is on this government. Whether or not it is up to the challenge remains to be seen. At the moment, business and consumers need reassurance so that we continue to grow a fundamentally strong economy—which is the result of the economic performance of the previous coalition government in period 1996 to 2007. As I said in my opening remarks, we support the bill before the House. I commend the bill to the House.

**Mr DREYFUS** (Isaacs) (9.56 am)—I rise today to support the Financial Framework Legislation Amendment Bill 2008. This bill amends a number of acts, namely the Financial Management and Accountability Act, the Albury-Wodonga Development Act, the Public Service Act, the Reserve Bank Act and the Defence Home Ownership Assistance Scheme Act 2008. The amendments in the bill will provide clarification of the operation of the law in the area of public financial

management as well as correcting typographical errors and providing consistency in a range of areas.

Good governance practices are essential for the operation of our democracy. We heard precious little about that from the member for Dickson when he was speaking a moment ago, but it is something on which the Rudd Labor government places great importance. I have spoken previously about the need for government administration reform that is aimed at achieving consistency, transparency, accountability and the reduction of red tape. When I spoke earlier this year on the Commonwealth Authorities and Companies Amendment Bill, which forms a pair with this bill, I spoke on exactly those same themes, and today I want to speak about a number of the particular provisions of this bill that help advance those aims of consistency, transparency and accountability.

It would be funny, if it was not so tragic, to hear the suggestion from the member for Dickson that those of us on this side of the House have no experience of small business. Sitting next to me is a fellow legal practitioner who has run his own small business for some 21 years. Perhaps the member for Dickson had not noticed, but I was self-employed before coming into this place; I ran my own business for some 22 years. I venture to suggest that there is a great deal more knowledge of small business presently on this side of the House—certainly represented by the member for Blair and myself, to speak of but two—than perhaps anything the member for Dickson personally knows about small business.

As for the fake concern about the rights of workers, one is tempted to ask where the member for Dickson was when the Work Choices legislation was being put through this place. Where was the member for Dickson standing up for the rights of workers, as

he now professes to be doing while in fact expressing this fake concern about the conditions in Australian workplaces? Where was he when the Howard government put through its Work Choices legislation, representing as it did an immense and unprecedented attack on workplace conditions in this country? As for the suggestion that anyone on this side of the House needs to apologise to Australian business, that apology needs to come to Australian business from the other side of the House for the things that they did in government to directly damage the economy of this country. But I should return to the bill.

The Financial Management and Accountability Act and the Commonwealth Authorities and Companies Act provide the framework for managing the Commonwealth's finances. The amendments proposed in this bill provide clarification about the use of finance minister's orders and financial management and accountability regulations, and I will start with that particular aspect of the bill. Items 17, 26, 45, and 57 of schedule 1 amend sections 10, 13, 40, 60(2)(a) and 60(2)(b) of the Financial Management and Accountability Act by replacing references to the 'Finance Minister's Orders' with references to 'regulations'. These amendments clarify the operation of finance minister's orders, which are documents that form quite an important part of the financial administration of this country. The finance minister's orders are described in this way in the department's description of them:

The FMOs are produced each year and have the force of law under the Financial Management and Accountability Act 1997 (FMA Act) and the Commonwealth Authorities and Companies Act 1997 (CAC Act). The FMOs outline the requirements for the preparation of Financial Reports of Australian Government Entities. One of the main purposes of the FMOs and supporting Policies and Guidance is to ensure consistency of accounting policy choices across Government Entities

where Australian Accounting Standards allow choices. Consistency is important to ensure comparability of Financial Reports across Entities and to facilitate the consolidation of individual Entity Financial Reports when preparing the Australian Government's Consolidated Financial Statements. The FMOs aim to enhance the usefulness of information presented in Financial Reports to Government and major external users.

It is the case that at present there are two sets of finance minister's orders. Both are made under section 63(1) of the Financial Management and Accountability Act but they can deal with any matter on which the financial management act 'requires or permits Finance Minister's Orders to be made' and any matter 'on which regulations may be made.' The difficulty with that is that the same subject matter can be the subject of both finance minister's orders and regulations, which, of course, results in possible discrepancy and confusion for those agencies that are required to comply with the financial framework.

The purpose of these proposed amendments is that matters will be either the subject of regulations or, in the case of matters that relate to an agency's financial statements and financial reporting, they will be the subject of finance minister's orders. It is precisely the kind of clarification, elimination of duplication and simplicity that ought to be the object of all legislation in this place and certainly is a priority of the Rudd government. These particular changes are going to help to provide consistency across government in terms of accounting policy choices. The Department of Finance and Deregulation has actually pointed out that consistency is important to ensure comparability of financial reports across entities.

There are many other changes that are contained in this bill. Items 28 and 29 amend section 16(1) of the Financial Management and Accountability Act to clarify that the

Legislative Instruments Act applies to special instructions issued by the finance minister. Perhaps I should say, more generally, that although this bill is primarily technical it is in line with the broader objectives of the Rudd Labor government to foster open government.

I should mention the provisions of this bill which tidy up the situation in respect of the Albury-Wodonga Development Corporation. At present, the Commonwealth Authorities and Companies Act does not apply to the Albury-Wodonga Development Corporation and there is what I think is fair to describe as a great deal of messiness in respect of who the responsible minister for the Albury-Wodonga Development Corporation is. At present, the finance minister is the minister responsible but, as at 30 June 2007, the responsibility had been, under the former government, with the Parliamentary Secretary to the Minister of Finance and Administration, who at the time was Senator the Hon. Richard Colbeck. The fact that the responsible minister may not necessarily be the finance minister is reflected in the use of distinct terms of 'minister' and 'finance minister' in the Albury-Wodonga Development Act, and that, of course, is a degree of unnecessary complexity.

The main effect of the repeal of the provisions that are listed in items 1 to 14 of schedule 1 of the bill will be to apply the Commonwealth Authorities and Companies Act to, in future, the Albury-Wodonga Development Corporation. That is appropriate because the Commonwealth Authorities and Companies Act deals with matters relating to Commonwealth authorities, including reporting and accountability, banking and investment, and the conduct of officers. Notably, part 3 of the Commonwealth Authorities and Companies Act deals with reporting and other obligations for Commonwealth authorities. The Albury-Wodonga Development

Corporation, because it meets the definition of a Commonwealth authority as that definition appears in the Commonwealth Authorities and Companies Act—because it holds money on its own account and is a body corporate that is incorporated for a public purpose by an act, namely the Albury-Wodonga Development Act—is certainly an appropriate body to be brought within the overall framework of reporting and accountability that is constituted by the Commonwealth Authorities and Companies Act.

More generally, although this bill is properly described as primarily technical, I can say that it is completely in line with the broader objectives of the Rudd government to foster open government. This government has a clear agenda of accountability and integrity in government. The parliament has already seen this through changes to public sector administration; through announced changes to electoral laws and to freedom of information laws; and through the inquiry that the Standing Committee on Legal and Constitutional Affairs, which I chair, is presently conducting into a scheme of whistleblower protection for the Australian public sector. All of these are areas of improvement which will help to restore confidence in the integrity of our political system.

Specifically, I should mention the freedom of information changes that Senator Faulkner, Cabinet Secretary, has recently announced in relation to the freedom of information laws, which will indeed be the most significant overhaul of the Freedom of Information Act in its more than 25 years of existence. Specifically, the government has moved to abolish the power of ministers and agencies to issue conclusive certificates under the FOI Act, and Senator Faulkner has announced the creation of the position of Freedom of Information Commissioner to be a statutory office holder. This is legislation that we would hope to see shortly.

As I mentioned a moment ago, the Attorney-General has requested the House of Representatives Standing Committee on Legal and Constitutional Affairs to inquire into and report on a preferred model for legislation to protect public interest disclosures or ‘whistleblowing’ within the Australian public sector. It seems self-evident that more effective and comprehensive protection for whistleblowers will increase the likelihood of public interest disclosures being made, which will, in turn, improve the quality of government in this country. In developing a preferred model of legislation on this subject of public interest disclosure, the outcome of the inquiry presently being conducted by the standing committee will deliver on the government’s commitment, prior to the last election, to provide best-practice legislation to encourage and protect public interest disclosures.

I should perhaps mention also a couple of other provisions in the bill. There are some very welcome provisions in it which will simplify language that is contained in the legislation. Too often we see legislation that is written in a way that loses clarity for the sake of some imagined precision. In areas of the law that are technically complex, it is sometimes inevitable that the language will be technical and complex. Nevertheless, there should be at all times an attempt made to ensure readability—an attempt made to ensure that laypeople, when they come to read the legislation, will have some possibility of understanding it. We see an example of an attempt being made to use simpler language to express complex areas of regulation in the offering of a replacement for section 44(2) of the Financial Management and Accountability Act, which reads like this:

If compliance with the requirements of the regulations, Finance Minister’s Orders, Special Instructions or any other law would hinder or prevent the proper use of those resources, the Chief Executive must manage so as to promote

proper use of those resources to the greatest extent practicable while complying with those requirements.

That is to be replaced, as proposed in this bill, with a much simpler and much shorter wording, which I will read:

In doing so, the Chief Executive must comply with this Act, the regulations, Finance Minister's Orders, Special Instructions and any other law.

It is a much simpler way of expressing an almost identical requirement. The drafters of this legislation are to be commended for making the attempt and it is to be hoped that that indeed continues.

Finally, I should mention the provision of this bill which uses the Criminal Code. One of the purposes of establishing a Criminal Code for the Commonwealth was to ensure that there would not be duplication throughout the Commonwealth statute book of provisions which touched on criminal law, which created criminal offences or which described the way in which criminal offences are to be prosecuted. This proposed legislation continues that approach of adopting, where possible, provisions of the Criminal Code, maximising the usefulness of the Criminal Code so that, where one is needing to look at anything with a criminal concern, one goes first to the Criminal Code. That is why we see in item 16 of this proposed legislation a repeal of section 7 of the Financial Management and Accountability Act, which states that chapter 2 of the Criminal Code, the provision that sets out the general principles of criminal responsibility, applies to all offences against the financial management act and deals with maximum penalties. Section 7 is no longer needed because subsection 2.22 of the Criminal Code already provides that, subject to provisions of the code dealing with something not relevant in this context—self-induced intoxication—the code 'applies on and after 15 December 2001 to all other offences.' We see here a cleaning

up of the statute book by making sure that that Criminal Code general provision will have application. I commend the bill to the House.

**Mr NEUMANN** (Blair) (10.13 am)—It is terrific that people come from all parts of this country to this House, from all states and territories, from all different kinds of professions—farmers, unionists, schoolteachers, lawyers, police officers—and from all manner of backgrounds. We have had some distinguished police officers who have served this parliament. The current Minister for Ageing is a former police officer and my former federal member, the Hon. Bill Hayden, was a former copper, as he would put it. I had the pleasure recently of having lunch with him in Gatton, honouring a wonderful communitarian in my electorate, Herb Olm, whose grandson works for me and who is the oldest and longest-serving Labor Party member in the country at 100 years of age. Bill talked to that meeting about his background. But it is a bit rich that the member for Dickson, a former police officer, should lecture those on this side of the House, many of whom have extensive business experience.

I speak in support of this legislation, the Financial Framework Legislation Amendment Bill 2008. This bill is about transparency, openness and good governance. It is what small business expect. As a former small business operator myself, I know it is a challenge to run a small business. Small business operators in this country and the public at large expect government to be run well, and this legislation is about better governance in this country. I spoke, as the member for Isaacs did, in relation to the Commonwealth Authorities and Companies Amendment Bill 2008 earlier this year. The legislation that we have before us today is about aligning the legislation and the kind of governance we have in this country, particu-

larly with respect to outsiders—non-Commonwealth entities—and also with respect to Commonwealth entities.

The governing legislation being amended is the Financial Management and Accountability Act 1997. The bill before us today amends that act and a number of others, including the Albury-Wodonga Development Act 1973, the Public Service Act 1999 and the Reserve Bank Act 1959. In this area there have been a number of amending pieces of legislation passed since 2004, all of them designed to clarify, simplify and make better use of public administration and public moneys in this country. This bill purports to do the same, as well as reducing red tape in relation to governance and reporting.

Some of the provisions in this bill are akin to those of the Statute Law Revision Bill which this House uncontroversially passed earlier this year. There are corrections which are quite minor in relation to dates and parentheses but also some which are quite substantive. I will not touch on the Albury-Wodonga Development Act legislation amendments, as the member for Isaacs has already dealt with those as well.

The Minister for Finance and Deregulation said in his second reading speech on 26 June 2008 that this bill will reduce red tape in the administration of about 100 agencies which are governed by the Financial Management and Accountability Act, including 19 departments and a whole host of differing statutory and executive agencies. I agree with the final comments in the minister's speech, where, referring to this bill and the amendments in the Commonwealth Authorities and Companies Act 1997, which was introduced in this House on 13 February 2008, he said:

Overall, this work demonstrates the government's ongoing commitment to deregulation, where appropriate, of the financial framework,

while optimising the accountability and transparency of the operations of government generally.

And that is what the public expect. They expect good governance, open government and better use of public moneys and better public administration. Certainly when I do the many mobile offices that I conduct in my electorate people talk to me about a whole range of issues, but they want value for their dollar. They want the Public Service to work well, efficiently and effectively. I must say that in this country we have been well served by a wonderful pillar of our community, the Public Service. But this is about making the system run better.

I want to concentrate on a few of the reforms in this bill. The first one I want to concentrate on is a curious expression called 'outsiders', which can be found in a new section, section 12, of the legislation. It is a very odd way to put it, but 'outsiders' are defined as:

... any person other than the Commonwealth, an official or a Minister.

In essence, an outsider is a non-Commonwealth entity. This amendment will permit an outsider to make payments of public money where the agreement or arrangement engaging them is authorised by parliament or the finance minister. This is going to help other third parties who contract with government as well as contractors and trustees which handle money. It will allow an outsider to, for instance, deduct authorised fees before sending the balance to the Commonwealth. This is not now the case. So this form is both practical and deregulatory in its focus.

The next reform I want to concentrate on is a change to section 44 of the Financial Amendment and Accountability Act, which concerns chief executives and the proper use of Commonwealth resources. The bill adds a note to section 44, to this effect:

A Chief Executive has the power to enter into contracts, on behalf of the Commonwealth, in relation to the affairs of the Agency.

We have done this a lot, both at state and federal levels—adding notes to explain legislation. I think it has been a wonderful initiative over the last few decades. This particular note clarifies and explains section 44(1) of the act, which affords the chief executive of the agency an implied capacity to enter contracts and which imposes on the chief executive the obligation to promote the proper use of Commonwealth resources. In practice, this power is actually delegated or authorised by the chief executive to a subordinate official of the agency, usually under section 53 of the legislation. This is the case even though the power and capacity to contract, lease or license mirrors that of the minister in whom the executive power of the Commonwealth vests.

The third reform in this bill which I want to refer to is the additional requirement concerning the proper use of Commonwealth resources. Under section 44(1) of the FMA Act, the ‘proper use’ must be efficient, effective and ethical. But now, under this amending legislation, it must not be ‘inconsistent with the policies of the Commonwealth’. I think the public would be surprised that that is not actually in the existing legislation. That is not the same as ‘in accordance with Commonwealth policy’, so there is a degree of flexibility there, and it is less prescriptive in its tone. It recognises the situational and contextual aspects of, say, procurement. This ensures decisions can be taken into account but must be looked at in the context of current Commonwealth government policies.

I want to make it plain: in my reading of the legislation—and I have read it thoroughly—this bill is not about reducing the independence of chief executives, for example the Auditor-General and the Ombudsman, who have legislative independence that

is longstanding. But I do think the public, certainly the public in my electorate of Blair, want the Public Service to act consistently with the policies of the democratically elected government of the day.

The fourth point I want to make relates to new section 44A in this amendment bill. This amendment effectively is the same as the operational procedures under the Commonwealth Authorities and Companies Act in terms of the amendments we made to it earlier this year. It aligns the Financial Management and Accountability Act with the CAC Act. It means a chief executive must:

- (a) give the Minister responsible for the Agency such reports, documents and information in relation to the operations of the Agency as that Minister requires; and
- (b) give the Finance Minister such reports, documents and information in relation to the financial affairs of the Agency as that Minister requires.

Further, it makes it very plain that the chief executive must comply with a requirement concerning time limits set by the minister. Finally, the section does not limit any power that a minister has to require such information.

I think this is a good provision. It makes the Public Service and those entities governed by this particular legislation more accountable to the government of the day, and I think that is a good thing.

I want to talk about the audit committee requirements found in new section 46. This clause takes away the requirement for the finance minister’s orders to address the audit committee requirements and instead sets out the functions of an audit committee. The amendment allows for regulations to prescribe the composition of such committees and, again, is consistent with the Commonwealth Authorities and Companies Act 1997. The actual provisions, as I said, are found in new section 46, which is very clear. It says:

(1) A Chief Executive must establish and maintain an audit committee with functions that include:

(a) helping the Agency to comply with obligations under this Act, the regulations and Finance Minister's Orders; and

(b) providing a forum for communication between the Chief Executive, the senior managers of the Agency and the internal and external auditors of the Agency.

In summary, this bill is about good governance, as the member for Isaacs said. It is about openness and transparency in government. It provides for auditing and an audit committee. It simplifies procedures concerning the use of public moneys and makes it clear that Commonwealth resources must be used properly, efficiently, effectively and ethically but not in ways inconsistent with the policies set out by the Commonwealth government of the day. It is this executive and this parliament that are accountable to the Australian people, not the Public Service, and it is this executive and this parliament that must determine how Commonwealth resources are used. Who should contract, who should lease, who should license and other arrangements must be determined by the government of the day. These powers must be used wisely in the public interest and with express authority, and not in some messy arrangement that is muddled and uncertain. That authority must be given by legislation or regulation. The Australian public deserve no less and they expect no less. This bill is an important part of the Rudd government's good governance policy. I think it will ensure that public administration of this country functions more effectively. That is good for my electorate, good for my state and, I believe, good for the nation. I commend the bill to the House.

**Mr BRADBURY** (Lindsay) (10.27 am)—I rise to speak in support of the Financial Framework Legislation Amendment Bill

2008. This is an important bill albeit, as the member for Isaacs described it, a highly technical one. It is a significant bill because it is an important part of this government's deregulation agenda. There are two elements that, at the broader level, I wish to focus on in respect of this bill. It is a bill first and foremost about deregulation and about better government. They are the two principles that are enshrined in this bill: better government and putting the deregulation objective back on the agenda.

When it comes to better government in this country, it is no longer a question of big government versus small government; it is about efficient and effective government. I think that this bill very much recognises that. To achieve effective government we also need to be conscious of the principles of responsible government and to ensure that there is accountability inherent in the processes of government. I think that this bill certainly achieves that objective.

In terms of deregulation, this government has been very active in trying to put deregulation back on the agenda after it was put on the backburner by the previous government for their more than a decade in office. One of the first moves that this government undertook was to ensure that we have a Commonwealth minister for deregulation and, indeed, a minister assisting the minister for deregulation. That is a significant symbolic decision that this government took to ensure that matters of deregulation were at the forefront of the thinking of this government. I note both the Minister for Finance and Deregulation and the Minister Assisting the Finance Minister on Deregulation have been out there assiduously talking to stakeholders both within government and, more broadly, within the community to ascertain the key issues and objectives that we as a government could be pursuing to move ahead at a rapid rate of knots on that agenda. That is certainly some-

thing that we have already done. Much progress has been made through the COAG process in trying to streamline the Federation and get it working much better than it has in the past. This is an important deregulation initiative. It is also about making sure that government is working better.

In addition, the deregulation agenda has included the entrenching of the new one-in one-out principle, where any new regulation must be matched, by identifying areas where regulation can be simplified or where regulations can be removed, to ensure that the overall regulatory burden is not increasing as the demands of greater regulation in a greater number of areas continue to be a challenge that government confronts. Our deregulation agenda has also involved moving the Office of Best Practice Regulation into the Department of Finance and Deregulation. The minister has said—and I believe this to be the case—that his role is now very much about being a guardian against excessive regulation. He is out there seeking to ascertain ways in which regulation can be reduced and processes can be streamlined to allow greater productivity not just within the processes of government but more generally within the way government deals with stakeholders throughout the community.

I want to turn to some of the provisions of this bill. Both the member for Isaacs and the member for Blair have covered most of this territory comprehensively. I want to focus on some of the amendments to the Financial Management and Accountability Act—in particular, the clarification in relation to notional payments. The amendments contained within this bill clarify that notional payments—payments within the Commonwealth and payments between agencies—should be treated as if they were payments to non-Commonwealth related entities for the purposes of regulating or assessing those particular transactions. This is an important

element that restores and clarifies that position but ensures that there is further accountability in that area.

In the area of outsiders payments, the government is conscious of the need to increase flexibility in the way in which government does what it does but also of the need to do so in a way that ensures there is still accountability in place. This will allow a person who is neither a minister nor an official nor part of an FMA Act agency to make payments of public money. But they are only able to make those payments of public money where the agreement or the arrangement engaging them is authorised by the parliament or by the minister. So there is the flexibility that comes with allowing those outsiders payments but the check and the balance come and the accountability is secured by ensuring that that is only the case where the arrangement or the agreement entered into is authorised by the parliament or the minister.

The bill also proposes a number of changes in relation to the power of chief executives to enter into contracts, although, I think—if the truth of the matter be known—rather than to change those existing practices, this bill seeks to confirm and clarify what the position is. There has been much case law on this issue. I know that it may appear to some as though the matter has been settled—certainly, in some of the commentary available on this area, that would appear to be the case—but, by inserting the note, which is item 47 of the bill, at the end of section 44(1), there is greater clarity that chief executives do have that power. I think that this measure goes some way towards providing that greater certainty that chief executives, agencies and officials require of knowing the limits of their authority to enter into contracts. So that is a positive development envisaged in this bill.

The bill also makes some changes in relation to the notion of 'proper use' as defined within the act. The notion of proper use is extended so that the definition not only includes 'efficient, effective and ethical use'—which I am sure we would all agree is entirely appropriate—but also ensures that such use is not inconsistent with the policies of the Commonwealth. To some that might be seen as something that should be a given but, for the purposes of clarifying and confirming the importance of government policies, guiding decisions and guiding notions of what might or might not be the proper use, this amendment certainly does achieve that greater certainty.

I will now move on to item 50. Item 50 goes to ensuring explicit recognition of something that might already, within various agencies, be seen to be implicitly the situation already—that is, to confirm and codify the entitlement of the minister to seek reports and information from agencies to ensure that the principle of responsible government is being upheld. All of these measures combined go a long way towards advancing not only the deregulation agenda but also, more specifically, our agenda of ensuring that government is able to operate more efficiently and with less complexity and bureaucracy.

I want to turn briefly to some of the comments made by the member for Dickson in his contribution. His contribution became quite wide ranging. He made a number of comments in relation to the economic outlook in this country and, more particularly, in relation to consumer confidence. It is truly bizarre for those on the other side to come into this place and, on the one hand, have no plans for how to secure Australia's economic prosperity and, on the other hand, claim that, as a result of a decline in consumer confidence in this country, that is merely evidence of failures on the part of the Rudd government.

Right across the world, there is economic uncertainty at the moment. We are seeing various measures in countries all over the world at the moment. Consumer confidence measures have been in decline. There is no question about that. In the US, consumer confidence and business confidence are now at a 16-year low; in the UK, a 16-year low; and in New Zealand, a 17-year low. There are some enormous economic challenges that we face internationally. We all see the impact of the credit crisis. That is not just something occurring on the other side of the world; it has impacted on securitisation markets in this country and has had a great impact, a flow-through impact, on those people who have mortgages, in terms of increases in the interest rate that people are paying as a result of those funding cost increases. We are seeing in other parts of the world the oil shock, which, whilst it might be occurring in other parts of the world, is certainly being felt very seriously by many people in our community. There is the increase in world food prices. All of these factors are combining to paint a picture of a challenging international economic environment.

We can ignore those new and emerging international economic realities or we can develop a plan to address them. This is a government that is absolutely determined to implement its plan to address those challenges. Central to that plan, the cornerstone of our plan, is the delivery of a strong budget surplus, a budget surplus that was contained within the budget that was delivered by the Treasurer in this place and is now being blocked in the Senate by those opposite. Those opposite would argue that there is a decline in consumer confidence and that that is as a result of the government, but, frankly, they have failed to articulate any alternatives. If all of what they are proposing were to be adopted—and, when I speak of what they are proposing, I am not just talking about the

lack of support for our revenue measures but, in addition to that, the spending that they are talking about embarking upon in relation to cuts in excise—if those proposals were to be undertaken, they would blow a massive hole in the budget surplus. We all know what that means. That means more pressure on inflation.

It took those on the other side a long time to come around, but finally they have acknowledged the great inflation legacy that the former government left this country. They have come around, but they have not come to the point of recognising that strategies need to be implemented in order to address that. A strong budget surplus is the most important thing that we can do in order to fight inflation and try and take the pressure off interest rates and all of those cost-of-living pressures that are affecting individuals, families—people right across this country.

So I call on those on the other side to either develop an alternative plan or get out of the way. To the extent that they have an alternative plan at the moment, it consists only of these so-called excise cuts, and we do not know whether they are 5c, 10c or 20c—there are a range of views on that on the other side, but that is about the only plan they have. So, if they want to criticise the clear, strong, economic policy that the government are implementing, they should come up with an alternative or they should get out of the way and ensure that our budget gets passed in the Senate so that we can start delivering a real attack on inflation and, hopefully, achieve some respite for those people suffering as result of higher interest rates and all of the pain that comes with that. I commend the bill.

**Mr PERRETT** (Moreton) (10.41 am)—I also rise to support the Financial Framework Legislation Amendment Bill 2008, and I

commend the broad and thorough speeches of the members for Isaacs, Blair and Lindsay and their detailed treatment of the legislation before us. Before I too turn to the legislation, I just want to touch base with some of the points raised by the member for Dickson in what was quite a bizarre approach to the legislation before us. I wonder sometimes, if he is the opposition's economics whiz-kid, what his actual grasp of the world economy is and what his grasp of even practical economics is. It must be a little bit different in Brisbane on the other side of the river, I guess. People on the southern side of the river obviously have a different view of the world—although, thankfully, our Treasurer does provide a little bit of logic over that side of the river.

It was amazing that the member for Dickson was able to detail the last 11½ years of economic reform and he was able to encapsulate all of the last 11½ years of economic reform as being, quite simply, some accounting skills that the Howard government touched on. That was it. Look at the great Hawke-Keating reforms of the decades before. All the member for Dickson was able to touch on was the fact that there had been some accounting skills demonstrated by the Howard government. So I think the time of the member for Dickson as an economic spokesperson is limited, and the member for Higgins might be able to provide him with a bit of guidance. He certainly needs to do a lot more work when it comes to understanding the world economy.

Whether we look at local sporting clubs, multinational companies or suburban households, no matter how big or small, every organisation needs a useful system in place to manage its finances, to pay its bills and to invest for the future. Obviously the Australian government is no different except that the accounting sheets are just so much more significant. Could I just take this moment to

thank all of the treasurers across Australia, especially the volunteer treasurers, who do that great work for their organisations just for a pat on the back.

**Mr Price**—Often not that.

**Mr PERRETT**—Yes, often not that; that is right. The government's financial framework is governed by the Financial Management and Accountability Act 1997 and the Commonwealth Authorities and Companies Act 1997. The Financial Management and Accountability Act exists to provide for the proper use and management of public funds, public property and other Commonwealth resources—the funds, property and resources that belong to the good people of Australia. The act ensures accountability and transparency in the management of public money, and obviously all Australian taxpayers would expect nothing less. Hopefully, the members opposite—as they cling to the last remaining shreds of economic responsibility—would want the Australian taxpayers' money to be managed properly and will be able to support this legislation a lot more readily than the member for Dickson. The absence of speakers from the opposite side perhaps suggests that silence is assent.

This bill amends the Financial Management and Accountability Act to further simplify the system. This bill will amend the act to reduce red tape in the administration of 19 departments and 100 agencies under the act. It will also update and clarify governance and reporting provisions, ensuring even greater efficiency and accountability. Taxpayers expect all governments to manage public dollars with the highest levels of integrity and accountability. They also expect us to be smart about the way that we invest and position Australia in the global economy. In the global economic market, like in the Olympics, we are a small country, but we do fight above our weight.

Australia is leading the world when it comes to fund management. This government will continue to drive initiatives that strengthen Australia's position as a financial services hub, particularly in Asia. Through my background as a lawyer and in the union sector, I have seen employers and employees coming together with their industry funds, which seem to outperform so many other funds. Anything that this government can do to boost that is to be commended. The finance and insurance sector contributes more than seven per cent of GDP, employs around 400,000 and contributes about \$30 billion in tax revenue. The policy of compulsory superannuation saving, introduced by the Hawke and Keating governments, has helped build offshore managed fund assets worth \$1.4 trillion. That is the sort of economic reform that I was talking about—rather than just fiddling with the balance sheets, as the member for Dickson referred to.

This has helped develop Australia's reputation as a well-respected, experienced and appropriately regulated financial hub—something that the rest of Asia looks to in amazement on occasion. We are a world leader, but we can do better. Despite being a world leader, only a small amount of foreign funds are under management here, with less than three per cent of fees derived from foreign investment. This was an opportunity missed over the last decade. With less than three per cent of fees derived from foreign investment, we needed to turn our gaze, more than a decade ago, to Asia to try to attract some of their funds and promote our experience and our credentials as a manager of funds. This government is reducing the withholding tax rate to encourage greater foreign investment in managed funds. Under new measures to be implemented, foreign investors will eventually be subject to a minimum 7.5 per cent withholding tax rate. This will make Australia more competitive,

particularly in our region, and boost exports in the financial sector by more than \$3 billion.

Much of this bill corrects typographical errors—and I know you are stickler for typographical errors, Deputy Speaker Sidebottom—or clarifies existing provisions. While I welcome the corrections, I do not intend to dwell on them today. However, I will address some of the more significant amendments contained in this bill. This bill gives public servants, particularly chief executives, a clearer understanding of what is required of them and their reporting obligations regarding government resources—that is, the resources that belong to the good people of Australia. The bill clarifies that chief executives must use Commonwealth resources in synergy with Commonwealth government policy.

Chief executives already understand the efficient, effective and ethical use of public resources. This amendment bill builds on this understanding to make it clear that approval of expenditure must also be in keeping with the relevant Commonwealth policy. Any fair-minded person would expect that public funds should be spent in a way that is consistent with government policy. This amendment effectively enshrines in law the modus operandi that is already in place in the Australian Public Service. The Rudd government have a very high regard for the Public Service, and that is why we want to ensure that their obligations and expectations are always clearly defined.

The Public Service has a long tradition of independence and effective implementation of government priorities, irrespective of the government. It is important that the independence of the Public Service is upheld. It was reassuring to see after the election in November last year that there were no job losses—or no ‘night of the long knives’—as

occurred when the Howard-Costello show hit Canberra back in March 1996. Instead, we had faith in the public servants here in Canberra. I stress that these amendments before the House do not in any way undermine the independence of statutory officeholders, like that of the Auditor-General and the Ombudsman.

This bill will also deregulate the ability for contractors to handle public money when authorised by an act or by the finance minister. Contractors can already make payments of public money, but it is a very complicated legal process. It either involves complex legalese or actually occurs in contravention of the law. This amendment will sort out those anomalies. Obviously, we do not want to take anything away from the good work of lawyers, but this will simplify things. Under this amendment, any agreement will still need to be authorised by the parliament or the Minister for Finance and Deregulation, the Hon. Lindsay Tanner, but it will ensure that contractors can legally make payments, rather than only being able to receive and hold money on behalf of the Commonwealth.

This bill will also remove two archaic bodies corporate from provisions dealing with Commonwealth investments and streamline rules for how agencies rely on appropriations. Further, this bill amends the Albury-Wodonga Development Act to bring the Albury-Wodonga Development Corporation under the Commonwealth Authorities and Companies Act. As a Commonwealth authority, it is more appropriate that the Albury-Wodonga Development Corporation come under the CAC Act rather than outside a recognised framework. I thank the Minister for Finance and Deregulation for introducing this bill and, in doing so, I commend the bill to the House.

**Mr TANNER** (Melbourne—Minister for Finance and Deregulation) (10.52 am)—in

reply—I thank all members for their contribution to the debate. The Financial Framework Legislation Amendment Bill 2008 primarily amends the Financial Management and Accountability Act 1997 to further simplify the financial management framework. This bill will help reduce red tape in the government's internal administration of the 104 agencies that are now governed by the FMA Act, including 19 departments of state and a range of statutory and executive agencies. The bill also sets out consequential amendments and corrects minor errors in other laws. The bill's key reforms are to sections 12 and 44 of the Financial Management and Accountability Act 1997. Each reform relates to aspects of Commonwealth contracts to clarify respectively the ability of non-Commonwealth entities to deal with public money and the source and nature of the power of chief executives to enter into contracts on behalf of the Commonwealth. In this regard, the amendment to section 44 also states:

Explicit chief executive's decision making on the use of resources for their agency is not to be inconsistent with the policies of the Commonwealth.

In addition to amending the FMA Act, the bill will make a minor consequential amendment to the Public Service Act 1999 and the Defence Home Ownership Assistance Scheme Act 2008. It will also correct typographical errors in the Reserve Bank Act 1959 and amend the Albury-Wodonga Development Act 1973 to make the Albury-Wodonga Development Corporation subject to the Commonwealth Authorities and Companies Act 1997.

The bill has been scrutinised in *Bills Digest No. 2*, dated 19 August 2008, which notes that the amendments will have:

... obvious benefits for efficient and transparent administration because administrators should

have a clearer understanding of their functions and duties.

One question asked in the digest relates to the proposed transfer of funding for the Water Smart Australia program involving the debiting of a special account which is a form of appropriation authority. The digest suggests that this debit should be matched somewhere by credit elsewhere. The response to this point is that the relevant amount was in fact made available directly to the Department of Environment, Water, Heritage and the Arts through the last budget.

In short, the bill reflects that the FMA Act and the CAC Act comprise a robust financial framework for the Commonwealth. The present proposals will ensure that the financial framework continues to meet the needs of the parliament and the government. I commend the bill to the House.

Question agreed to.

Bill read a second time.

### Third Reading

**Mr TANNER** (Melbourne—Minister for Finance and Deregulation) (10.55 am)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

## NATIONAL GREENHOUSE AND ENERGY REPORTING AMENDMENT BILL 2008

### Second Reading

Debate resumed from 26 June, on motion by **Mr Swan**:

That this bill be now read a second time.

**Mr HUNT** (Flinders) (10.56 am)—In addressing the National Greenhouse and Energy Reporting Amendment Bill 2008 I want to make three broad points. First, this bill makes minor amendments to the regime which the coalition government put in place

last year. Second, we have a strong history of practical action to deliver real reductions in emissions, which contrasts with many of the proposals which are currently being put forward. Third, I want to mention the 'three pillars' approach which we are taking to the broader issue of emissions reduction in Australia today as part of a global approach and a global way of reducing overall CO2 and equivalent emissions.

Let me be very clear, we support the National Greenhouse and Energy Reporting Amendment Bill 2008 for a simple reason: it makes minor technical amendments, which were foreshadowed prior to the previous election, to the system we put in place to enable an emissions trading scheme. This is a preparatory system which will ultimately assist both in monitoring Australia's greenhouse emissions and in allowing us to prepare, in the most efficient and least disruptive way, for an emissions trading scheme.

In relation to this particular bill, we note that there are amendments here aimed at three things: firstly, simplifying the regulatory burden and increasing flexibility associated with the registration of corporations under the act; secondly, confirming that the obligation of a registered corporation to comply with an external audit extends also to the corporations group; and, thirdly, clarifying the provisions relating to the reporting of greenhouse gas projects and offsets of emissions. These are consistent with the regime we put in place last year. They are consistent with the intention which we established and they are consistent with the direction which we flagged.

Having said all of that, this then brings us to the broader background of action which the previous coalition government took to prepare Australia for a long-term approach to reducing emissions in a way which did not harm the ability of this generation to main-

tain our standards of living and our quality of life, and to work in such a way where we have intergenerational equity so that the present generation is not sold out to bear the load in relation to past actions or future actions. In particular, we took a series of major initiatives which led, above all else, to a reduction of between 85 and 87 million tonnes per annum in CO2 or equivalent gases which would otherwise have occurred. Overall, in the last decade we have seen Australia's emissions reduced by about 170 million tonnes against business as usual. About half of that has come through changes in land clearing. I welcome those changes and that reduction, and I welcome the protection of biological diversity as a result.

The other half of the reduction—and this is often not credited by those on the government benches—has come about largely as a result of a range of specific federal initiatives under the coalition. That is why Australia today is one of only a handful of developed countries to actually be on track to meet our international targets for emissions reduction. We are one of the few countries in the world that are on track to meet their targets under the Kyoto protocol. There is a lot of noise about whether or not a country has put its signature on the table. Many countries have promised but few have actually delivered. We have delivered because of a series of practical initiatives which have had real effect without disrupting and without destroying the capacity of Australians to provide for themselves and their families now and in the future.

The coalition took practical initiatives such as, firstly, the first greenhouse office in the world; secondly, the Low Emissions Technology Demonstration Fund, which was aimed directly at being a world-leading project for major emissions reductions; and, thirdly, the solar homes scheme or, as it is alternatively known, the Photovoltaic Rebate

Program. This program has, however, been gutted under the new government, which put in place a means test which means that mums and dads who earn \$51,000 or more each are now in large part unable to afford to have solar panels on their homes. They are no longer able to be part of the clean energy revolution; they have been disempowered. This is part of a program which takes away incentives and replaces them with a culture of fear rather than one of hope, empowerment and practical action.

In the Senate, we have seen a whitewash by government members of the impacts of the means test on the solar homes program. Why do I say that? Very simply, the figures have been propped up by the Queensland government's solar lottery, which means that \$185 is all that people have to pay to get solar panels on their roofs. That program will run out soon and, as a Senate inquiry has heard, many small businesses have lost 80 per cent of their orders. This is real. It has an impact on solar businesses, it has an impact on a sunrise industry and it has an impact on the ability of Australian mums, dads and families to make real reductions in emissions savings. We reject, categorically and absolutely, the whitewash by the government members in the Senate committee. They have failed to acknowledge that the only reason the figures are holding up is the Queensland government giveaway and lottery. It is a good program. I do not argue with what the Queensland government is doing to reduce emissions; I argue with what Mr Garrett and the Prime Minister have done in gutting the solar homes project.

We also saw under the previous government, most importantly, the Global Initiative on Forests and Climate, aimed at reducing 10 per cent of the world's emissions from CO<sub>2</sub>. Currently 40 billion tonnes of CO<sub>2</sub> are put out. This program aims to reduce the eight billion tonnes of CO<sub>2</sub> from global deforestation

to four billion tonnes in the next five years. That is the single largest and fastest reduction the world can make, and the new government has dropped the ball on protecting against the scourge of global deforestation. It is a real initiative which should be supported and advanced. Other developed world countries are willing to participate: the United States, the UK, Germany and France. If we are serious about making emissions reductions, we should not put all the burden on Australian mums and dads. We should use the capacity of the international system and the developed world to work with the developing world on reductions of global deforestation, and nothing will deliver faster, greater, real results at a cheaper price than working towards halving the rate of deforestation and increasing net reafforestation over the next five years.

This brings me directly to the coalition's approach to dealing with the objectives of the National Greenhouse and Energy Reporting Amendment Bill 2008. We have a 'three pillars' approach to dealing with greenhouse gas reduction. First, we must start at the international level; second, there has to be a clean energy revolution; and, third, there is a role for a carefully crafted, non-destructive emissions trading scheme. But that is not what has been presented by the Rudd government.

Let me look at the first of the three pillars: the international pressure for which we unashamedly advocated. We need to do two things. First, we need to have an approach which says to the great emitters of the world, China, India and the United States: you must be a serious part of a global approach. If they are not part of that approach, then the emissions trading scheme that we adopt must be one with a low and slow commencement price. We are ready to ramp up if the other countries play their part, but we must not play our hand in such a way that we take

away the incentive for other countries to act. If we allow them to be free riders, we do nothing for the planet and we do everything to hurt ourselves.

The second thing we must do is to put in place the Global Initiative on Forests and Climate, which we are now referring to as a global rainforest recovery plan. The message to Mr Rudd, Mr Garrett and Senator Wong is very clear: you must not take the pressure off the developing world to protect its forests, to protect its ecology and to make great savings in the reduction of emissions which would otherwise go up over the next five years. You must be part and parcel of a global rainforest recovery program, which can halve the eight billion tonnes, or 20 per cent, of global emissions which come from deforestation. It can do this over the next five years. It can reduce emissions by four billion tonnes, or 10 per cent of global emissions, and nothing can make more of a difference in the next five years than these great savings. Please take this policy up. Do not reject it just because we took the leadership on it. Do not make the mistake of cutting funds from this, because these are real reductions which take the pressure off Australian mums and dads.

The second of the pillars, about which there is enormous excitement in the coalition party room, is the concept of a clean energy revolution. That means a push and drive for Australia to be, amongst other things, a solar continent. We have to have a capacity for mums and dads, families, farmers and individuals to participate in the clean energy revolution through the adoption of solar photovoltaic power in their own homes. And yet we have seen, as I said earlier, the destruction of the very incentive designed to allow mums and dads and farmers and families to have solar panels on their roofs. If you earn more than \$51,000 each as a couple, you will no longer have that incentive. The message to the solar industry, the message to

Australian families is: we are not serious about this sunrise industry; we are happy for a political point to run it into the ground. That is unacceptable; it must be reversed. We will fight all the way to have it reversed and we stand very clearly for a bright sunrise future rather than a sunset on the solar industry.

At the level of generation of baseload power, we are on the threshold of quite a revolution in terms of clean energy here. What we are advocating and what we are saying to the Rudd government is very clear: we will push for a revolution in solar baseload. In California and Nevada, and in Spain and elsewhere around the world, we are seeing the development of the capacity not only for generating but also for storage. There are two great storage advances: first, the use and conversion of supercritical steam and, second, enormous advances in chemical storage. This is one of those technologies which is advancing faster than the international community had expected, and we want to be at the forefront; we want to see that the solar industry is supported and not discouraged. The message that has gone out to the solar industry has been a very poor one. The Renewable Energy Fund was put back rather than brought forward; the solar homes program was gutted; and I have met with numerous solar industry executives who are dismayed, disheartened and disappointed at the way in which this industry has been treated by the new government. That is where we stand on a clean energy revolution.

The third pillar is an emissions trading scheme, but we support a carefully calibrated, non-destructive, effective emissions trading scheme. There are four criticisms we have about the way in which the government have casually thrown on the table a destructive and ineffective emissions trading scheme. Firstly, they have gutted the clean energy sector. We see that LPG, the cleanest

burning of the available automotive fuels at present, is set to be the first and highest taxed fuel under their new scheme. We also see, on the clean energy side, that one tonne of exported LNG—liquid natural gas—when it is transported to China, will lead to four tonnes of CO<sub>2</sub> being reduced if it replaces coal-fired power. And yet, as Woodside and others have said—and I have met with executives of Woodside and others—this proposal, on the table right now, threatens the very viability of our industry. In short, the cleanest burning baseload fossil fuel is set to be punished and the world will suffer as a result. Global emissions will go up rather than down, Australian industry will suffer and Australian jobs will go, and that is bad for Australia and bad for people who are concerned about emissions, as I am.

The second of the great criticisms in relation to emissions trading is that it is, in the Rudd government's scheme, a new petrol tax, but not until after the election. That is an unacceptable concept. Petrol is a largely inelastic good—the economic history around the world is that it is a largely inelastic good. We see a three-year moratorium. Basically, the new tax has been deferred until after the election. We do not accept that there should be a new tax on petrol and we will stand against it.

The third of our criticisms of the emissions trading scheme is that there is a new grocery tax contained within it which will be imposed on groceries seven months after the due date of the next election. How will this work? Very simply, we will see that commercial transport will face a new tax seven months after the election. That commercial transport is the way of passing our groceries around Australia. You cannot substitute for food. It is not as if you can substitute one item for another. Everybody will have to eat. It is a ludicrous proposition that we are going to generically bump up the price of food in

the hope that it will somehow change behaviour. This new grocery tax will come in seven months after the due date for the next election. It is absurd; it is ridiculous. It will have an impact on pensioners, low-income families and middle-income Australia and it will have zero impact on emissions.

The fourth of the concerns we have is in relation to timing. We have a concern about the time when submissions are due. Submissions in response to the green paper are due in the next two weeks, before the Treasury modelling is available. That is an absurd situation. Much more importantly, the date for the system has been arbitrarily set as 1 July 2010. That is a political deadline. We know from the Business Council of Australia and from numerous Australian companies that they will face job losses, enormous balance sheet impacts. They are not yet prepared; they are not yet ready. It will not have an impact on emissions but it will have an impact on the balance sheets of Australian companies. There will be job losses; there will be a real impact. We believe the earliest feasible date is 2011—probably 2012—and we say that the government must listen to those people who will be affected. There is a real reason for that: if you want an effective system, you have to give industry a chance to adapt. Let us not drive Australia into an anti-competitive situation which will have no impact on emissions but will have an impact on livelihoods, the cost of living and Australian families.

I make, ultimately, the point that we support this particular bill—the National Greenhouse and Energy Reporting Amendment Bill 2008. It is, in effect, our bill, building on our system as preparation for an effective emissions trading scheme. But we approach the overall greenhouse issue with a three-pillared approach: unashamed support for international pressure; an unashamed belief in a clean energy revolution and direct en-

gagement with supporting a solar continent vision, not the destruction of the solar energy industry as we have seen from this new government; and unashamed strength in looking for an effective emissions trading scheme with real support for clean energy, no petrol tax, no grocery tax and a commencement date starting no earlier than 2011—probably 2012. We do that because we believe in real outcomes for greenhouse reduction, based on hope rather than fear and on the capacity of individuals to have a real role.

**Mr DREYFUS** (Isaacs) (11.15 am)—I rise to speak in favour of the National Greenhouse and Energy Reporting Amendment Bill 2008, which demonstrates the Rudd Labor government's commitment to tackling climate change. Greenhouse emissions are clearly changing the world's climate and we must ensure that scientists and planners have the accurate data and information they need to find efficient and effective solutions. The information that this bill deals with will be critical in facilitating policymaking on greenhouse and energy issues.

The bill seeks to make changes to the National Greenhouse and Energy Reporting Act 2007 by amending the public disclosure provisions that relate to a corporation's greenhouse emissions. That includes separating direct and indirect emissions and disclosing how these emissions were calculated. The bill will improve the National Greenhouse and Energy Reporting Act to provide transparent, accountable processes and data reporting to the greenhouse energy data officer. This will strengthen the greenhouse and energy reporting system and provide invaluable data to meet Australia's international reporting requirements as we approach the United Nations Climate Change Conference in Copenhagen.

The Rudd Labor government will also seek to streamline the reporting requirements

by reducing the total number of reports that business is required to submit by 2009-10. This government understands that duplicated reporting of these standards is inefficient and highly troublesome, potentially at least, to Australian businesses. The government is actively working with the states and territories through the Council of Australian Governments to ensure a streamlining of reporting processes. This legislation also reflects a commitment to flexibility in the reporting processes. Members on this side of the House understand that Australian businesses value a clear and consistent policy on tackling climate change. I think it is fair to say that despite concerns raised recently by a number of corporations those same corporations and others are working with the government on the development of policy in this area, and there certainly is an understanding of the need for the reporting system that this bill addresses.

The usable and relevant data, the collection of which this bill addresses, will be released publicly to allow Australia's best thinkers and scientists to find new and innovative solutions to tackling climate change. That data will underpin the government's Carbon Pollution Reduction Scheme, which is to be introduced in 2010.

This bill is one of the many initiatives that the Rudd Labor government has introduced to tackle climate change. Even prior to the election last year, the Prime Minister—then Leader of the Opposition—showed how serious we are about tackling climate change. From opposition last year the Prime Minister initiated the National Climate Change Summit to explore the critical challenges of climate change in the 21st century. The summit explored environmental and economic impacts that are likely to result from climate change.

In April last year this government, in opposition, and every state Labor government commissioned Professor Ross Garnaut's climate change review. The review sought to examine the impacts, challenges and opportunities of climate change for Commonwealth, state and territory governments. The draft report released by Professor Garnaut in July 2008 is correctly described as the first comprehensive national climate change review in this country.

The member for Flinders has reminded us of the first executive act by this government, which was to ratify the Kyoto protocol. It is worth remembering that the Prime Minister's first foreign trip was to attend the International Climate Change Conference in Bali, Indonesia. It is striking that the member for Flinders chose, a few moments ago, to describe that very significant act of signing the Kyoto protocol as 'a lot of noise'. That demonstrates just how much members opposite have failed to understand the significance of signing the protocol, the significance of being seen to take action and, indeed, the significance of bringing Australia back to the table of the councils of the world that are concerned that there should be international global action to deal with the damaging effects of climate change.

Perhaps the member for Flinders was not looking at the television coverage of the attendance of the Prime Minister and his ministerial colleagues at the conference in Bali in December last year. Had he been looking he would have seen the warmth of the welcome the Australian delegation received because its attendance represented Australia's return to the table. Australia is seen as having a significant voice and as a country that can make a very significant contribution to world efforts to combat climate change. Even now, in his role as shadow spokesman on the environment, the member for Flinders is demonstrating his failure to understand the signifi-

cance of the signing of the Kyoto protocol and Australia's return to a real role in working with other countries. It is a role we can take up only by signing the Kyoto protocol.

The government released a green paper on the Carbon Pollution Reduction Scheme in July 2008. Again, the opposition have failed to understand the significance of this green paper. The member for Flinders, the opposition spokesman on the environment, chooses to describe it as something 'casually thrown on the table'. The government is engaged here in carefully using a green paper process followed by very extensive, wide-ranging, national consultation and nothing could be a less accurate description of that process than the words chosen by the member for Flinders, that this was something 'casually thrown on the table'.

The Rudd Labor government is serious about tackling climate change. We understand that it is one of the greatest economic and environmental challenges facing our country and indeed the globe. Again we heard from the member for Flinders the usual confused and carping kinds of complaints that we have become accustomed to hearing from the opposition. An example of this is the complaint from the member for Flinders about the timing of submissions in response to the green paper on the Carbon Pollution Reduction Scheme. There were complaints from the member for Flinders not merely about the alleged shortness of time for submissions on the green paper but also suggesting that the whole scheme for emissions trading should be delayed until 2012. Perhaps next week we will get a suggestion that it should be delayed until 2013.

These sorts of comments about insufficient time for submissions or perhaps that it is better to delay the emissions trading scheme for a few more years are reflective of the lack of understanding by those opposite

of the pressing urgency of doing something about climate change to both lessen the damaging effects and adapt our nation to the effects that are already inevitable. The urgency is that much more pressing because of the inaction by those opposite for nearly 12 years while they were in government. Had they attended to the importance of grappling with climate change, perhaps the country would not have needed to move with the speed we now need to move with—the speed with which the Rudd Labor government are moving. The Rudd government are committed to reducing our greenhouse gas emissions. We are committed to adapting effectively to the unavoidable consequences of climate change and committed to being an active partner in the international process to find a global solution.

The government set a mandatory renewable energy target of 20 per cent by 2020. The government is establishing the expanded national renewable energy target scheme, and that scheme will increase the existing mandatory renewable energy target by more than four times to 45,000 gigawatt hours in 2020. The scheme will contribute to meeting Australia's targets for the reduction of greenhouse gas emissions. It will provide a market incentive to accelerate the uptake of Australia's abundant renewable energy sources such as geothermal, solar and wind. The government is also looking to reduce red tape by bringing existing state based targets into a unitary national scheme.

The Rudd Labor government is committed also to research and development of low-emission technologies. It understands that researching these technologies will bring about greater energy efficiency and lower emissions. In the budget, the government invested \$500 million in a Renewable Energy Fund, another \$500 million for a National Clean Coal Fund and another \$500 million for the Green Car Innovation Fund.

These initiatives, particularly the green car fund, will put Australia at the forefront of technology in this area. The government has also committed \$240 million to the Clean Business Australia initiative to work with businesses to deliver energy and water efficient projects focused on productivity and innovation.

Meanwhile, those opposite seem stuck in what you could fairly describe as a petty partisan struggle about climate change. We heard some more of it today from the member for Flinders with his suggestion that went something like this: 'Don't put all the burden on Australia's mums and dads; work on global deforestation,' alleging at one point in his speech that the new government had dropped the ball on global deforestation. Again, the member for Flinders, the opposition spokesman on environmental matters, has demonstrated his failure to understand just how the Rudd Labor government is engaging with the world, why it is that having signed the Kyoto protocol it is now sitting at the table with those other countries that are committed to doing something about climate change and how on all subjects connected with climate change, in particular global deforestation, Australia is now in a position to do something about these matters, now in a position to engage with other countries in the world. Even on the juxtaposition that the member for Flinders chose to make by allegedly putting all the burden on Australia's mums and dads against some effort being made on global deforestation, I would again ask: what was the former government doing for its nearly 12 years in office in respect of global deforestation?

We have had extraordinary statements from the Leader of the Opposition on an emissions trading scheme. I will quote one, though it is a little bit hard to read through because it is a little muddled. It went like this:

The fact of it is that if we go—as we will, as we must, as we will and we will pay a price as a nation as we should for a genuinely global response—one of the consequences of that will be an increase in the price of energy, electricity bills for households and petrol and fuels that we use.

That statement, so far as it can be understood, sums up the opposition's attitude towards climate change. Those opposite failed to realise that the issue is serious enough to require a sustained, coherent policy, and that is what those opposite failed to come up with. The Leader of the Opposition's statement is typical of a government that sat on its hands and did virtually nothing about climate change for 11½ years—whatever the propositions advanced here today by the member for Flinders. The proposition of the member for Flinders that Australia is on track to meet its international obligations under the Kyoto protocol simply begs the question as to why the former government did not wish to ratify the Kyoto protocol. It was the government in office in this country before 1996—a Labor government—that negotiated the primary provisions of the Kyoto protocol and, in particular, included in the Kyoto protocol some important provisions that recognised Australia's potential for reductions in carbon emissions through reductions of large-scale deforestation or land-clearing operations, particularly in South-East Queensland.

Why was it that the Howard government did not feel able to ratify the Kyoto protocol? Those opposite have failed to deliver any substantial policy on climate change, either while they were in government or, for the last nine months, while they have been in opposition. In truth, those opposite failed this nation on climate change. It might be thought that it is about time those opposite came to their senses in relation to climate change, that despite the full-throated denials that we were still getting from those opposite

up to the election last year, we might hear from those opposite that it is now time to work together to deal with the effects of climate change. But it would appear that the Leader of the Opposition has proven once again that he does not have the leadership to stare down those in his party room who wish to continue to deny that climate change is happening, who wish to continue to deny that it is urgent and that something should be done. Instead, we have the Leader of the Opposition and, indeed, the opposition spokesman on the environment playing politics with climate change.

The opposition supports an emissions trading scheme, we are told repeatedly—the member for Flinders said it again here this morning—but not before 2011 and perhaps in 2012. I would expect if this continues that we are going to be hearing dates from those opposite like 2013 or 2014 or perhaps some years hence—anything rather than engage as they should with the urgency of doing something about climate change. It would seem that those opposite are simply not interested in doing what is required. The Leader of the Opposition particularly does not seem interested in doing what is required. Perhaps one should not be surprised about this because there remain, it would appear, serious climate change deniers within the Liberal party room. That is the same party room where the Leader of the Opposition is staving off either the return of the member for Higgins or the elevation of the member for Wentworth.

The member for Tangney in July of this year wrote the following in the *Australian*:

Any real climate change in the past century has been at a glacial pace (that is, the speed of a glacier that is not melting because of the globe's supposedly soaring temperatures). Far greater periods of environmental change have been recorded in history without any human intervention. The Ice Ages, anybody?

Glib comments like this simply confirm that many in the coalition are simply not serious about climate change. It is the case that only a Rudd Labor government can deliver a comprehensive plan to tackle climate change. This bill is part of that comprehensive plan. I commend the bill to the House.

**Mr IAN MACFARLANE** (Groom) (11.34 am)—I rise in support of the National Greenhouse and Energy Reporting Amendment Bill 2008 and the amendments that go with it. The relationship between being able to accurately measure greenhouse gas emissions and therefore put in place an effective trading scheme is crucial. I think at times we underestimate just how difficult it will be. I had the opportunity to present the Julius Kruttschnitt lecture to AusIMM, and today, as part of expressing my concerns about the implementation of the Rudd-Wong ETS—as distinct from a properly designed emissions trading scheme—I will quote quite extensively from that speech. The Rudd-Wong ETS is seriously flawed. It needs to be accepted that just signing Kyoto and implementing an ETS are not by themselves climate change silver bullets. The Rudd government have yet to explain how signing Kyoto and implementing their ETS can lower greenhouse gas emissions without there being in place the emission-lowering technology to generate enough clean energy to keep Australia’s economy growing. No matter how controversial coal may be now, or how out of favour with the green movement and celebrity Labor frontbenchers like the member for Kingsford Smith, the simple truth is that the development driven by our reserves of both black and brown coal has provided this nation with the basis for steady and, in recent years, spectacular growth.

Australia also has other energy resources, with reasonable supplies of high-quality oil combined with abundant natural gas. We also cannot forget uranium. It is just as unpopular

as coal with the Greens and with Labor politicians but, if you believe British economist Sir Nicholas Stern, it is an energy resource that will save mankind and the earth. We have more of it than any other country, yet we use it the least. Along with literally powering a nation, Australia’s energy resources are now an economic powerhouse for the world. We are a critical part of the global supply chain for energy and resources, particularly in the Asia-Pacific region. Most importantly, with new technology Australia’s efficient production of our resources wealth gives us the potential to be a global supplier of clean energy and clean energy technology, improving the global environment and lifting the living standards of billions of people. But, in doing so, there is no room for ideology or hypocrisy. For example, there is Labor’s hypocrisy in allowing sales of uranium all over the world to fire nuclear power stations that save, just from Australian uranium, 395 million tonnes of CO<sub>2</sub> a year relative to black coal, yet it is still refusing to consider nuclear power in Australia under any circumstances. How can you ignore evidence that the cumulative carbon savings from nuclear power over the three decades to 2030 will exceed 25 billion tonnes? Yet they still claim that they are credible on an emissions reduction policy.

On the trade front, Labor’s hypocrisy of allowing sales of our uranium to China but not to India on the same terms is a foreign affairs disaster that is costing Australians jobs and exports and causing strains on the growing trade relationship with this huge potential market. It also brings into question how Australia can call on rapidly developing nations like India to lower their emissions yet thwart their efforts to move away from coal fired electricity. The Rudd government is fond of trumpeting that the ETS will be the most comprehensive in the world, but on present form it is also the most scant-on-

details scheme in the world. The potential economic impact of this scheme not only on the resources and energy sector but across all facets of the economy simply cannot be overstated. The interests of Australia, its businesses, its export industries and its residents will be best served by a rational and reasonable approach to addressing climate change in Australia and the world's carbon emissions. We need to bring some rationality and natural caution to this debate. Rationality and caution have not been there so far.

The carbon debate has been emotional, sometimes irrational, but always political. Carbon dioxide is a colourless, odourless, non-toxic inert gas that makes up less than 0.05 per cent of the world's atmosphere. According to experts, any significant increase will cause more floods, more droughts and the end of civilisation in some parts of the world. Anyone who dares question this prediction is immediately branded a sceptic and subjected to scorn and ridicule by political opponents, sections of the media and self-professed experts of all types and backgrounds. I know because those opposite, the Labor Party, were quick to brand me a climate change sceptic. For the record, I am not a climate change sceptic, nor have I ever been. As a former farmer, the son of a farmer and a scientist, and the grandson of a geologist, I have always followed the evolution of the world's climate very closely. You do not have to sift through too much information to see a clear pattern of ups and downs in the global temperature over the course of the history of our planet.

Our planet's climate is changing and warming and has been doing so since the last ice age more than 10,000 years ago. I am a pragmatist who accepts that, based on the weight of scientific evidence, combined with the democratic view of the vast majority of Australians, we cannot take the risk that CO<sub>2</sub> is not causing the earth to warm more rap-

idly. We have heard from the Prime Minister predictions of droughts every one or two years, rising sea levels, flooding homes and the destruction of natural assets such as the Murray-Darling system, Kakadu and the Great Barrier Reef. It is a disaster scenario just short of helpings of fire and brimstone. Former Queensland Premier Peter Beattie was even reported as saying that tsunamis were caused by global warming; of course, they are caused by movements in tectonic plates.

In this emotion charged environment, it seems that, unless you are prepared to offer full-blown acceptance of every single new claim presented by climate change alarmists, you are nothing short of a lunatic, a heretic or, as the member for Isaacs made the point, a denier. These attacks on free speech are unscrupulous and deceitful. Yes, Australia should take climate change seriously. I certainly do. But the question must be asked: whose interests are served by running a ruthless scare campaign that depicts scenarios of doom and destruction and attacks people in such a derogatory and personal way?

The Australian public are asking for more information. This was highlighted recently in an article by Dennis Shanahan. He highlighted the fact that a Newspoll survey had shown that 40 per cent of those surveyed between the ages of 18 and 34 were unaware of climate changes before human existence or of the dramatic changes—that is, ice ages—since humans were but a pinprick on the earth's surface. Not even Al Gore suggests that humans are entirely responsible for climate change, yet the Rudd government is planning the most momentous reform of the Australian economy with one-third of the voting and taxpaying population completely misinformed. If we are to go forward with the most effective least-risk path, we need to put this angry and divisive debate behind us and start focusing on the science and com-

mon-sense solutions. Away from the cameras and opinion polls, this relentless attack on fact and the debate on climate change are beginning to be questioned. The unavoidable truth is that an emissions trading scheme has the potential to hit our economy very hard and not just at the top end of town. It will impact on every family and every household—on electricity bills, petrol bills, water bills and grocery bills from Toorak to Townsville, from Brisbane to Broome. It will impact on all industries and all businesses, from BHP Billiton to the corner store.

An ETS must also be put into the context of the compounding massive risk posed by the Rudd Labor government's other emission-lowering policy, the 20 per cent MRET, the same policy that was described by the AiG chief, Heather Ridout, as:

... an ill-advised and risky policy proposal that is likely to significantly increase the cost of greenhouse gas abatement in Australia.

Furthermore, she said that it would have an adverse impact on households and businesses throughout the economy. The Business Council of Australia has also painted an alarming picture of life under a Rudd-Wong ETS, which would see trade exposed industries shut or be sent offshore. President Greig Gailey will say in his speech tonight:

Australia would lose valuable export earners. Jobs and investment will be lost.

I might also add that a number of these industries are located in regional centres where the opportunities for alternative employment will be limited and the effect on working families could be devastating.

Against this backdrop of far-reaching consequences, Australians are starting to put into context what will happen in terms of a carbon trading scheme and what Australia can actually do when we make up only 1.4 per cent of global emissions. We are now realising that, whatever we do, no matter how severe our cuts to carbon and the economy are,

our attempts to slow global warming will have no effect at all if they are not embraced by the vast proportion of the rest of the world. This point is driven home by the fact that China and the US emit more in a month than Australia does in a year.

The ETS will have a greater impact on Australia than any other economic reform in our history. There is growing unease in the community about where to go from here and the capacity of the Rudd government to manage this process safely. It is little wonder that, with rising interest rates and plummeting business and consumer confidence, the Australian public is getting jittery. That all begs the question: what confidence can the community, business and industry groups have that the outcome will be any different on the emissions trading scheme than what we have already seen with solutions to rising petrol prices and the Murray-Darling? In fact, we have to wonder what the outcome will be when this debate is being driven by weather forecasters, economists and politicians. We know how accurate weather forecasters are, and economists were just put here to look good. Perhaps in this place I should not comment too much on politicians—I will leave it to those listening to this broadcast to decide.

We have already seen what happened to the EU carbon trading scheme when those three groups got together: the carbon price became uncontrollably volatile. That is the very reason it is imperative that this across-the-board reform is managed carefully and pragmatically and based on technology, not spin. The ETS must be rigorous and meticulous in its design, and all options need to be examined and all groups listened to. It is obvious that there are glaring inadequacies in what is being proposed by the Prime Minister and Senator Wong.

Australia deploys the world's best technology in building steel plants, aluminium refineries, paper plants and cement plants, and so the list goes on. In short, we give the world the best products it needs, at the lowest carbon intensity. Yet what is being proposed by the Rudd government will take no account of that and in fact will cause what is commonly named carbon leakage, where industries close down here in Australia and are rebuilt overseas with no reduction in carbon or, in the worst-case scenario—but probably the most likely scenario—with higher emissions than they would have had here. The end result will be an ETS that lowers Australia's carbon footprint, perhaps, but increases the global footprint.

Concerns are coming from everywhere, and not just from the business sector. We saw Paul Howes from the AWU express concerns about how jobs will be lost in Australia if there is no consideration of how to address export exposed or trade exposed industries, particularly energy-intensive trade exposed industries. We have also seen the comments from the member for Isaacs, who said that the Howard government did nothing about emissions trading. For the record can I briefly say what the Howard government did do. We laid out an expenditure program of \$3.5 billion to address climate change and lower emissions. Key elements of the program included clean coal; renewable energy technology; energy efficiency programs, including the one we are talking on today; a mandatory renewable energy target, which will see \$5½ billion invested in zero-emission technology; a subsequent mandatory clean energy target; and the introduction of an emissions trading scheme that would protect our economy and the jobs of Australians.

We did realise that there had to be collaboration, but the legacy left by the Howard government is not that of the irresponsible

carbon polluter that some in the Green movement tried to make out Australia as being. Between 1990 and 2005, the economy grew by 61 per cent but emissions only grew by two per cent. Emissions per head of population and percentage of GDP also fell. Praise came from all over the world, including from Sir Nicholas Stern, who said that Australia under the Howard government was leading the world on zero-emission technology for coal, on solar and on non-volcanic geothermal. Even Ross Garnaut, in his recent speech at the Press Club, said Australia has 'been punching above our weight on climate change for the last seven years'—seven years! The real effect of the Howard government's programs is that by 2010 we will be emitting 87 million tonnes fewer per annum of carbon dioxide.

The prudent approach to lowering greenhouse gas emissions is to incorporate a level of risk management into our attempts to reduce carbon emissions, thus ensuring we do not senselessly grind our economy into the ground while the rest of the world watches with a curious smile. In other words, if we are going to take a visionary lead and show the way, it would be reckless not to take out some insurance in case the Rudd-Wong ETS goes to ashes—literally. If we are serious about pursuing clean energy options and not just interested in symbolism and endless manipulation of public perception, we must look long and hard at all the options, and they include renewable energy. They include clean coal, though I note the Minister for Resources and Energy recently said that clean coal was at least a decade away, probably 15 to 20 years away, and he still has no idea of what it may cost or what zero will actually be. In fact, indications are that it will be as much as 500 kilograms per megawatt hour of electricity produced. The cost of zero-emission coal is something that we will need to come to terms with, just as we need

to come to terms with what technologies will be able to be installed in the next two years before the introduction of the Rudd-Wong emissions trading scheme.

I have very grave concerns about Australia's ability to generate enough clean energy from the technology that is currently available. Based on the progress we have seen in those technologies over the last 10 years, I have very grave concerns that we will be able to implement a program that will reduce greenhouse gas emissions from electricity production enough to stop the Rudd-Wong emissions trading scheme from basically sending our economy into a nosedive. I have grave concerns, as someone who has studied engineering, who understands mechanics and who has watched innovation and been involved in innovation. Can I just say that if we continue helter-skelter down this path, without the reality of what is actually physically achievable in low-emission technology, then I think that there is a real chance that not only will the lights go out but so too will the job prospects for many Australians in the future.

**Mr GRAY** (Brand—Parliamentary Secretary for Regional Development and Northern Australia) (11.53 am)—I rise to speak on the National Greenhouse and Energy Reporting Amendment Bill 2008. Speaking on greenhouse measures may seem a little odd for me—after all, I did describe climate science as 'pop science' in the 1990s. I wish I had not said that. Climate change is real. Greenhouse measures are serious and they have serious implications—implications that will affect how we create wealth, how we travel and how we work. At all times our greenhouse measures must enhance our national capacity to create wealth, because it is wealth which allows us to improve living standards; it allows us to protect our environment. Without wealth creation we will suffer lower living standards. Without wealth

creation we will suffer a degraded environment. And without wealth creation our ability to respond to climate change will be reduced. For these reasons, the government must get emissions trading schemes right.

This bill amends the original 2007 legislation passed through this place by the Howard government exactly 12 months ago. The 2007 legislation provided the first plank of what is now becoming a comprehensive emissions trading scheme. I looked over the 2007 debate in *Hansard*. The current Minister for the Environment, Heritage and the Arts, the member for Kingsford Smith, was scathing of the Howard government's 'sloppy bill'. He acknowledged the urgent need for progress but lamented the poor process and lack of consultation.

After reading the *Hansard*, I looked at other parliamentary reports. According to the Senate Standing Committee on Environment, Communications, Information Technology and the Arts investigation into this legislation, it was found that the department did not consult with stakeholders during the drafting stage. The committee's report found that stakeholders did support the intent of the legislation. It also found that, in its original form, there were various problems with this legislation.

I noted with some interest the speakers list from the passage of the original legislation. In 2007, the member for Wentworth was, of course, appropriately, lead speaker for the Howard government on this legislation. He was followed by my Western Australian colleague, the member for O'Connor—a great champion of the environment—and the member for Pearce, as well as the member for Ryan and the former member for Deakin. It is surprising that the current member for Calare, the then Assistant Minister for the Environment and Water Resources, did not speak. It is also surprising that the member

for Higgins did not speak. The member for Groom, who has just spoken, did not speak at that time. The member for Flinders, the current shadow minister, did not speak. If, as the member for Wentworth then claimed, the legislation demonstrated the Australian government's commitment to an effective climate change response, the lack of coalition speakers in this place for their legislation was, at least, revealing. I am still unclear as to the current position—or maybe that should be 'positions'—of the members opposite.

What is clear is that the Rudd government is responding to deep-seated calls from the community, business and industry to address carbon emissions. Indeed, by many public measures, carbon emissions are the most important environmental issue. It is clear that the people of Australia gave the Rudd government a mandate to implement practical and fair measures to reduce Australia's carbon footprint. And it is clear that this amendment bill that we are debating today will strengthen the National Greenhouse and Energy Reporting Scheme.

Cutting carbon emissions will have costs: prices will rise; industry will change. It will not be easy; there will be pain. Australians often have an inconsistent attitude to the environment—proffering great concern but not always living up to their high ideals. According to a Newspoll published last year, nine out of 10 Australians believe that a quarter of Australia's energy should come from renewable sources by 2020. But, according to this year's National Green Power Accreditation Program's March *Quarterly status report*, only 9.1 per cent of Australian households are buying their power from a green energy provider.

Green energy is also an option for Australian companies trying to reduce their greenhouse gas emissions. And Australian compa-

nies are world leaders in cutting their emissions. But what has been missing is a nationally consistent, internationally recognised and coherent measuring system. An article in the *Australian Financial Review* of 19 September 2007 regarding the passage of the 2007 original Howard government legislation reported:

The investment community finds emissions data hard to use because the figures can't be compared. There's no consistency in the items factored into reports, there's variation in the ways companies calculate emissions and occasionally companies don't even explain what they're actually measuring.

The Howard government's National Greenhouse and Energy Reporting Act 2007—introduced by the member for Wentworth exactly a year ago—laid the foundation for an Australian emissions trading scheme. The robust data that, as we speak, is being collated because of this 2007 legislation will form the basis of future emissions liabilities under emissions trading. Importantly, that data will also inform the Rudd government's decision-making process during the establishment of any emissions trading system. The 2007 legislation established that from 1 July 2008 companies would need to report their emissions and abatements under a single national framework. Before the Howard government scheme was introduced, hundreds of Australian companies were already providing the same or at least similar data to various voluntary state, territory, national and international greenhouse reporting programs. Each program had been developed in isolation and, in some cases, companies were preparing numerous differing reports to be submitted to different programs.

This amendment bill will amend the National Greenhouse and Energy Reporting Act 2007 to make changes to the public disclosure provisions and to clarify matters of administrative detail. It also addresses some of

the complexity of reporting requirements and, at the same time, adds in obligations to differentiate and quantify direct as well as indirect emissions. It will allow the minister to specify conditions for methods of measuring greenhouse gas emissions and to specify a rating system for such methods. It will provide greater clarity for the public and investors with the publication of the methods of measurement.

Currently, there are approximately 450 companies reporting under the National Greenhouse and Energy Reporting Scheme. By 2011 this number is expected to increase to around 700 companies. There is significant business support for this action. The business community has been calling for an emissions trading scheme and it is the business community which began to work out how to develop one. Ten companies operating in Australia, with a total market capitalisation of around \$600 billion, say they want this. I will now go through the stories of BHP Billiton, Rio Tinto, Woodside, AGL, Santos, Alcoa, Origin Energy, Westpac, Wesfarmers and BP. Why do they say they want it? That question can really only be answered by them. They have run the numbers. These firms have factored in carbon prices, their business planning demands that they do it, analysts and stakeholders demand it and shareholders expect it. A position on carbon has often helped define the reputation and public standing of companies—Origin Energy comes to mind.

When the previous government decided to investigate the possibilities of emissions trading, Prime Minister Howard established a prime ministerial task group to advise on the nature and design of an emissions trading system. A *Canberra Times* article, dated 26 March 2007, summarised the submissions made by Australia's top firms and found:

Australia's most important resource companies including BHP Billiton, Rio Tinto, Woodside,

AGL and Alcoa have come out in support of a national carbon emissions trading system to fight global warming.

The article went on to say that, of the almost 200 submissions posted on the task group's website, almost all called for emissions trading. The big Australian, BHP Billiton, on page 3 of their submission, stated:

It is clear that an effective, sustained global response to the threat of climate change is required.

In the near term it is recognised that linked national emissions trading systems—ETSS—are more likely than a single global system. BHP Billiton stated:

BHP Billiton supports the development of a global, market-based mechanism for valuing and trading emissions entitlements and reductions, on the basis that it is broadly-based ... efficient, and phased in such a way that industry and the economy have sufficient time to adjust.

On page 5 of their submission, BHP Billiton further stated:

Australia is vulnerable to climate change, as are many of the nations in this region. Acting alone, Australia can do little to mitigate the growth in global emissions.

However, BHP Billiton continued:

Australia can play a leadership role in encouraging an effective, efficient and equitable global scheme taking advantage of its resources and skill endowments and accepting its share of global efforts to mitigate greenhouse gas emissions.

BHP Billiton have had a climate change policy since 2002 and they further revised it in 2007. Not only are companies such as BHP Billiton supporting moves to establish an ETS; they are actually committing to voluntary reductions of their emissions. In 1995 BHP Billiton took part in the Australian greenhouse challenge, a program that encouraged reductions in greenhouse gas emissions.

Even earlier, in 1993, BHP Billiton started measuring greenhouse gas emissions and have publicly reported their resulting data

since then. As to an emissions trading scheme, BHP Billiton have already identified emissions trading as an area of opportunity.

BP are a global company with a market capitalisation of US\$232 billion—that is, a quarter of the size of the Australian economy. They have almost 100,000 direct employees, with significant oil and gas production and refining capacity in the global marketplace. Their submission to the Prime Minister's task group advocated the need for a global carbon price and a well-designed emissions trading scheme. Under the heading of 'The reality of how global carbon markets will be built', BP argue:

There is a real possibility that an effective global market will develop through the convergence and linking up of a number of regional, national and sub-national carbon markets (i.e. a 'bottom-up' approach to developing a global market).

BP go on:

This seems much more likely than following the 'top- down' approach of designing a global market from scratch.

On their website, BP state their support for:

... precautionary action to limit greenhouse gas emissions and works to combat climate change in several ways, even though aspects of the science are still the subject of expert debate.

I am a Western Australian, and a great Western Australian icon, Wesfarmers Ltd, are also very supportive of an ETS. On page 1 of their submission to the previous government, Wesfarmers stated they:

... have no doubt about the desirability of actions aimed at reducing greenhouse gas emissions because of the likely adverse effects this build-up will have on life on earth.

Wesfarmers are a major Australian public company which began in 1914 as a farmers cooperative and was listed on the ASX in 1984. Wesfarmers operate the chemical and fertiliser business, CSBP, in Kwinana, which is in my electorate, so I take a keen interest

in their policies and activities. On the second page of their submission, Wesfarmers state:

While a trading system is more complex to design and administer than a straight out tax, and while it is subject to demand variations, the cap and trade schemes most often canvassed have a strong appeal in terms of certainty of achieving environmental objectives.

Personally, I, like Jeffrey Sachs, am drawn to a carbon tax, but businesses want an emissions trading scheme and that is what our government have said they will get. Wesfarmers have for several years disclosed their greenhouse emissions through a sustainability reporting process and are well placed to meet the reporting requirements set up by this bill.

Rio Tinto, another major company operating in Australia, accepts the concept of an emissions trading scheme as one part of a comprehensive climate change policy. On page 3 of Rio Tinto's submission, the company warns of the possible negative consequences of an ETS but concedes that early action by Australia, with others, may help shape future international policy.

Santos is a major Australian oil and gas exploration and production company. It also expressed its support for an ETS. In the summary of its submission Santos states its support for:

... the introduction of an emissions trading scheme on a national basis, recognising that a well-designed scheme will be a key component of a portfolio of initiatives to reduce Australia's greenhouse gas emissions.

In Santos Ltd's greenhouse policy statement of September 2004 the company commits itself to actively pursue an emissions intensity reduction target of 20 per cent during the period from 2002 to 2008 using a portfolio approach, and to measure and report progress against this emission reduction target.

Australia's largest energy provider, AGL, also expressed support for an ETS in their executive summary, found on page 2 of their submission to the Howard government's inquiry. They said:

AGL accepts the scientific consensus that greenhouse gases in our atmosphere need to be stabilised ... AGL supports appropriate early action taken by Australia to reduce emissions. Taking action now to cost effectively transition the economy towards a lower emissions profile will reduce future costs associated with action taken at the international level.

Origin Energy is yet another major energy company that supports the introduction of an emissions trading scheme. On page 20 of its submission, Origin states its support for a 'cap-and-trade emissions trading scheme'. Origin says it wants:

... a national scheme administered by the Australian government as the preference over a States-based scheme.

It further goes on to say it wants:

... a start date as early as 2010, but no later than 2013.

These companies are not a bunch of greenies at the bottom of the garden. Origin Energy is a publicly listed company with a market capitalisation of over US\$14 billion, and it supplies energy to more than 3.6 million homes and businesses across the country. It is also a major employer, with more than 3,400 employees in Australia, New Zealand and the Pacific.

A company I once worked for, Woodside Energy, is Australia's largest publicly listed independent oil and gas exploration and production company. Woodside supports efforts to design a workable global emissions trading system, including the domestic prerequisites that would help prepare for this system. On page 3 of its four-page submission Woodside states:

Given the long timeframes for which oil and gas projects are built and therefore financially

exposed to, Woodside sees the provision of long term certainty to these investments is of paramount importance, and needs to underpin any considerations regarding permit issue/allocation and secondary carbon markets, if these are to be effective.

Business is not alone in calling for certainty in this area. In the introduction to its submission, Westpac acknowledges that:

Business is also facing increased pressure from institutional investors, calling for greater clarity on how companies are strategically and tactically managing their response to the implications of, and exposure to, climate change.

Westpac is another example of an Australian company that has sought to win community acceptability through strong measures that cut its greenhouse gas emissions. According to page 2 of its submission, Westpac has reduced its greenhouse gas emissions by over 45 per cent since 1996.

I note the fact that the previous government was not interested in this issue at the time. But that did not stop corporate Australia from taking its own steps and creating its own expectations. The conveniently timed release last week of the Business Council of Australia's paper *Modelling success: designing an ETS that works* was widely reported as a time bomb for the Rudd government. Well, I disagree—this is exactly the kind of dialogue the Rudd government welcomes. Business has to be confident, and it has to be certain that the government will commit to an efficient and equitable emissions trading scheme and will actually follow through on that commitment.

Unlike the process committed to by the previous government—noted for its lack of consultation—the Rudd government has entered into a comprehensive policy development process that involves genuine consultation. The Minister for Climate Change and Water and her cabinet colleagues are regularly meeting with key stakeholders as part

of this process. In yesterday's *Australian Financial Review* the member for Batman and Minister for Resources and Energy stated that meetings with business executives 'constitute a very important component of the policy development process'. He went on to say:

The government knows it is vital to get the scheme right for Australian industry, jobs, exports and investment ... The government is committed to a process of genuine consultation, and Minister Ferguson will work closely with both industry and cabinet colleagues to ensure the government gets the scheme right.

More formally, Ross Garnaut's climate change review, the Carbon Pollution Reduction Scheme green paper and an eventual white paper are all important steps that will encourage dialogue and ensure that we get the scheme right.

This is a complex issue, and this bill seeks to clarify the important issue of measuring and recording emissions. Personally, I think that too often the issue of climate change and policy options like emissions trading schemes are not widely understood by the general public. It is incumbent upon this government, and indeed this place, to do all it can to inform the public and enter into a dialogue with the community and with business so that diverse perspectives can better inform policy and the processes for making sound policy can be put in place.

I have been labelled as a climate change sceptic or—if the attacker is particularly beligerent—a climate change denier. I am neither of those things. Science, as an abstract concept, should not have believers and deniers. Science should enable us, as policy-makers, to make better informed policy decisions. It is hard to do this with people who view science as no longer an objective testing of hypotheses but as a belief structure more closely linked with faith. That is why I am supportive of the government's decision

to seek a viable and responsible solution to a conundrum roundly identified and accepted by our community and by industry. I also think that it is important to invest in science to test these theories and to have the courage to pursue scientific method. I commend this bill to the House, and I encourage the members opposite to clarify their position on this issue.

**Mr WINDSOR** (New England) (12.13 pm)—I will start by congratulating the member for Brand for his speech on the National Greenhouse and Energy Reporting Amendment Bill 2008, particularly his comments about aspects of corporate Australia. I guess some of them were a little bit selective; nonetheless, they did, in my view, reflect quite significantly some of the views of many of our major corporations in relation to emissions trading and greenhouse gas emissions generally.

If there were ever an issue where this House and the Senate needed to come to a united approach, it is this issue. On both sides of the parliament we are at risk of losing what the great majority of Australians would like to see in leadership at the federal level. I believe, and I believe most Australians believe, that something needs to be done, that human habitation has created an accelerated problem in relation to greenhouse gases. The government went to an election with an approach based partly on embracing this particular policy initiative and has embarked upon a process of developing an emissions trading scheme. There are currently documents out there that people can comment on, with a view to developing legislation. I think there is a feeling in the community that the government may well have already developed what it is going to put before the parliament. If that is the case, I believe that would be a mistake. The member for Brand made the point a moment ago that this is a very complex issue; I do not under-

stand it and I am sure many of us in here do not. For this to be successful, the Australian community has really got to understand, or have a knowledge of or a degree of trust in, the process that is developing. So it has to be a very transparent process.

It also has to be a process, in my view, where the government and the opposition come together and formulate a united approach. This is too easy an issue to politicise because of its inherent complications. It is so easy to bomb it out, in a political sense—to go to the populace and comment simplistically on the cost increases that are going to occur in the early years or the later years and how they are going to destroy family budgets et cetera. It is too easy to concentrate opinion on the negative in this particular issue. The government has to make a decision as to whether it is really serious about embarking on a process that will make a meaningful difference. If it compromises itself at the start it may as well not start. If it compromises itself because it believes the opposition will score some political points in terms of electricity prices or in the debate—and we had one a few months back—about the impact of a trading scheme on the price of fuel et cetera, the general public will see that. So there has to be a seriousness of intent to actually do something about the problem.

There is an easy answer. The member for Groom and others quite legitimately have raised this issue: if we do something here and the rest of the globe does not do anything we will just incur some pain economically and the rest of the world will laugh at us. There are a number of issues there that really need to be addressed. One is leadership. If we are serious, and if we are in a position to do something we should be doing it; we should be displaying a degree of leadership. That highlights the significance of a united approach at a government level. If we are not serious let us forget about it. Let us

just go back and carry on as normal, as if nothing is happening; let us deny the problem. We can design some political agenda that says there is not a problem and the scientists got it all wrong.

I believe there is a problem and, as a member of parliament, I would rather this parliament did more than enough rather than not enough. I would hate to be in a situation where my family and others look back in 50 years time and say, 'Why didn't they do something about that?' I would rather err on the side of doing more than enough rather than too little, and if, in doing more than enough, it were proven in 50 years time that we did not have to go that far, I think that would be an excellent outcome. But if doing nothing or too little now were proven in 50 years time to have been part of an irreversible process that should have been addressed, I would see that as an indictment of my performance and the performance of many others in this building.

So I think that both sides of this parliament have got to make a decision. Is this a problem? Do we have a problem? If we have a problem we should agree on what the problem is and then develop a process where there is a united approach to solving it. The member for Brand mentioned many big companies and the language that they have used. I know there is jockeying and positioning going on as to who pays and who gets compensated and who is who in the zoo in this at the moment. But it seems to me that the smart businesses are recognising that long term this is a global issue, it is a global problem that could have massive ramifications economically if it is allowed to go on into the future and there needs to be a degree of leadership. I think it is all too easy for all of us to say, 'China and India—if they don't do anything, the world burns.' Things change through leadership. If anybody does not understand how little things and little people

actually change political history, they should have a look at the initiatives that took place in South Africa that people had thought would never take place, in situations which they had thought were irreversible.

I made the comment earlier that I hope that the government has not made a concrete agreement on what it is going to be doing before it takes advice through the consultative process. As I said, I think that we need to take the Australian public with us on this issue rather than impose something on them that they do not understand and that can be so easily politicised. Obviously, the way to stop that politicisation is to have the opposition and the government work together on a common scheme for the greater good of the community, even though there will be costs and winners and losers. That would be the ideal, so I suggest to the government that they try to get to that rather than just return to the Howard sceptics' approach of accusing the opposition of being sceptical. Some of them may be; most of them, in my view, are probably not. Most of them would rather see something done, but they want to see something that they believe can be achievable and can be embraced.

One of the other areas I have suggested the government take on board is global re-forestation—and the shadow Treasurer made the point on a number of occasions that it can be a significant contributor to solving the problem of climate change. I did not hear all of his speech because I had a meeting to go to, but I do not think he mentioned Australian or global soils—in particular, the humus and organic matter in the soil profile—as a potential natural sequester for carbon. I am sure you would recognise, Mr Deputy Speaker Scott, that in some parts of your electorate there have been massive changes in cropping techniques and some pasture techniques, and one of the spin-offs has been much healthier soil. People have been doing

that not because they have suddenly become concerned about greenhouse gases and the carbon debate; they have moved into those technologies because they make more money out of them. One of the consequences is that in many areas our carbon-depleted soils are now accumulating carbon at quite a rapid rate.

This is a debate we are living through at the moment. I have spoken to the Prime Minister and the Minister for Agriculture, Fisheries and Forestry about this. I know that they have set aside some money to look at what is happening with our soils and whether they can be part of the solution to the problem. But, rather than just planting trees—and not cutting them down—for carbon sinks and natural sequesters, we should also be looking very seriously at the potential of our soils to be part of the solution. We should not rush headlong into an emissions trading arrangement which does not fully embrace the debate.

In many parts of Australia there have been significant soil test results that indicate that organic matter and humus in the soil can sequester carbon. I know there is a degree of argument about measurement and the release of carbon in times of extreme drought et cetera, but in my view there are various techniques that could help with that particular issue. I would encourage the government to make sure that that area is covered. It embraces the potential of our soil to be part of the solution—a natural solution rather than a costly one. In fact, there are benefits all around. Our soils will be healthier and they will be drought proofed to a certain degree. There are a whole range of positives, one of which is natural sequestration of carbon.

I think far too much attention has been paid to that area by those who would like to make money out of it, those who like to include the accumulation of humus and organic

matter in our soils as part of an emissions trading system. As you would recognise, Mr Deputy Speaker, there is currently a difficulty with the measurement of carbon in our soils. We have the same difficulty with the measurement of carbon in our trees, or any vegetation, but we seem to be able to develop carbon trade in some global circumstances with trees in particular. Those measurement issues can be overcome. But, even if they cannot, there are other areas of government policy—for instance, drought policy—which can encourage better soil management and more healthy soils. Even if carbon trading is not a part of an emissions trading system, these soils can be part of the solution to the basic problem—that is, not only carbon dioxide but also the methane and nitrous oxide that make up the great majority of the greenhouse gas problem. I suggest to the government that they once again have a much closer look at that before they develop a hard and fast emissions trading scheme, because over a relatively short time there could be some natural solutions to these problems.

There is another issue I would like to raise. I know this is a little outside the bill, but I think this is an opportune time to raise this issue. There is currently a lot of talk about climate change in the Murray-Darling system. We have just had the Prime Minister and the minister at the lower lakes of the Murray talking about the difficulties that are currently there. I think we all recognise those difficulties, though people have different views on how we solve some of them. One of the things both the Prime Minister and the minister said while they were there—I am verballing them a little bit, but this was the intent of their words—was that there had been mistakes in previous government policy—meaning the overallocation of water and the lack of recognition of what parts of our landscape could sustain in terms of land

clearing and the application of water—which had led to this crisis in the Murray. They also said that the drought and climate change have been part of the problem in the Murray-Darling.

There are a couple of issues I would like to raise here, and one of them is pertinent to my electorate at the moment. We currently have exploration licences being issued to major companies—BHP is one of them, and a Chinese company is another one—to explore for coal on the Liverpool Plains, which is part of my electorate. Most people would be aware that the Liverpool Plains is probably some of the most productive land in the world, not just Australia. I guess people can buy and sell land and do what they like with it, but that land is underpinned by something like 20 interconnected groundwater systems that have a relationship which we are not certain of with the river system, which happens to be the Murray-Darling system.

We currently have a planning process for developing a coalmine that is state based and very much centred on localised impact. I am not opposed to coalmines; I have one literally next door to me. There is a coalmine within a kilometre of my bedroom window. But for the Prime Minister and the Minister for Climate Change and Water to say, at the bottom end of the Murray system, that past policy mistakes have caused a crisis in the Murray-Darling and then to refuse an independent study of the potential impacts of longwall coalmining—not only in highly productive food-producing areas but in areas underpinned by interconnected groundwater systems that we have no knowledge of—is hypocritical. To allow the states to maintain that sort of mentality is, in my view, hypocritical. It is totally hypocritical to blame previous policy for a problem and then allow an existing policy potentially to exacerbate the same problem. There is no knowledge—whether it be in BHP, China or the United

States—of what would happen to the Murray-Darling system if you slashed the artery of a longwall mine and interfered with the hydraulics of the interconnected groundwater systems that relate to it. Some would say: ‘You can give up just one valley. The Namoi Valley is only 250 kilometres long; who cares?’ There are six valleys in New South Wales and there are groundwater systems in the other states as well. They are something that we need to know about before governments allow exploration or mining in these areas.

BHP recently said, ‘We are going to shrink the area we are looking at mining in so that we do not incorporate those groundwater systems or the flat, black Liverpool Plains soils.’ That is all very well for them to say, but that does not stop them making application in the future to mine in those areas. I call on the Prime Minister and the Minister for the Environment, Heritage and the Arts to take a stand and not to leave it to the New South Wales government. It might be that all the government is interested in is getting some cash for the exploration licences but, if we are serious about the Murray-Darling, climate change, coalmining into the future and sustainability of food bowls and production, we have to have more knowledge of these groundwater systems and their inter-connectivity; otherwise, we run the risk of looking back in 50 years time and saying: ‘Why didn’t they do something about that issue? Why, when they recognised at the time that there was a crisis in the Murray-Darling system, did they take the short-term cash option and destroy an interrelated system of highly productive groundwater aquifers?’ I support the legislation.

**Mr MARLES** (Corio) (12.33 pm)—I rise today to speak in support of the National Greenhouse and Energy Reporting Amendment Bill 2008, which seeks to amend the National Greenhouse and Energy Reporting

Act 2007. The purpose of this bill is to make amendments to the public disclosure provisions in that act and to clarify the administrative processes in relation to it. The measures in this bill are designed to underpin this nation’s introduction of and transition to a carbon pollution reduction scheme and subsequent emissions trading scheme. As well, the bill will assist the government in ensuring that our nation meets its international reporting requirements when it comes to carbon emissions.

The government’s green paper in relation to the Carbon Pollution Reduction Scheme has outlined initial objectives, guidelines, transitional arrangements and time frames. It represents a clear policy direction on the part of the Rudd government to fulfil the mandate it was given by the people of Australia at the last election to introduce an emissions trading scheme in this country and to act on the issue of climate change. This is a very clear and deliberate path that is being put in place, not one that is being rushed. The government has a green paper in place which puts on the record the direction in which the government is going but which, at the same time, seeks to consult with all the stakeholders in the lead-up to the announcement of government policy through the white paper at the end of this year and then through legislation in this parliament. This is a very clear direction and a very clear path, which we are proceeding upon in a very deliberate and careful way.

This stands in contrast with what we have seen on the other side of this House and what we saw on the part of the Howard government prior to November last year. When we have probably the single most critical issue facing our globe and our nation, we have seen on the other side of the House nothing but a gaggle of shadow ministers desperately seeking to outdo each other via the latest media sound bite. What we have on that side of the House is nothing but politicking. The

Liberal Party sees the panacea for reducing the financial burden of households in this country as a 5c reduction in the petrol excise, without breathing a word of how that tax relates to the issue of climate change in this country. As late as last week we saw the shadow resources minister and the Deputy Leader of the Opposition trying covertly to push onto the Australian electorate the idea of nuclear energy, when that idea was comprehensively rejected by the Australian people at the election last November. We have a Leader of the Opposition who cannot tell the electorate when he would like to see a carbon pollution reduction scheme put in place in this country.

We have on this side of the House the culmination of a series of actions which give us policy chaos. If business and the stakeholders in this country were trying to get an indication of where the country was going from the utterances which we have seen from the conservative parties in this parliament, they would have absolutely no idea. When it comes to this vitally important issue for the future of this country, we have seen from the coalition nothing but politicking. In contrast to that, we see on our side of the House a very clear direction, carefully and deliberately prosecuted, with consultation of all the stakeholders and taking us down the path that this country and our globe must go down to deal with the great issue of our age.

As you know, I represent people in the city of Geelong. I am sure everyone feels the issue of climate change and the potential effects of an emissions trading scheme in their own way, but I think it is fair to say that Geelong is really on the front line of the whole issue. We are on the front line, in a sense, on both sides of the equation. Geelong absolutely stands to feel the consequences of climate change. We are a seaside city which exists in one of the unusual parts of the world where scientists predict that climate

change will give rise to a reduction in rainfall. Indeed, we have already seen that. Geelong has been under a variety of water restrictions for the better part of a decade now. We are a water stressed city—much more so than Melbourne, in fact—so we are already experiencing the effects of climate change in Geelong. Of course, being a seaside city, our town and its economy is inevitably intimately connected with the foreshore and with the sea. Much of our great industry in Geelong—Shell, Alcoa and Pivot, a large fertiliser plant—is located along the foreshore. Were there to be rising sea levels as a result of climate change, each of those industries and those plants would feel it significantly.

A bit further down the road from Geelong we have the Great Ocean Road, which is one of our country's great tourist attractions and which is itself the basis of an emerging and very large industry for our region: tourism. Tourism on the Great Ocean Road is defined by the shape of our coastline. Were we to see climate change giving rise to rises in sea levels, we would see that coastline change and our tourism enormously affected. On the side of the equation which is the consequences of climate change, Geelong is very much on the front line. We are already experiencing the consequences of it.

On the other side of the equation, we are predominantly a manufacturing and industrial town. Almost half of those employed in Geelong are employed in connection with industry and manufacturing. That industry and manufacturing is exclusively fuelled by carbon based fuels. Indeed, at least two of the large multinationals that are based in Geelong produce that carbon based fuel. We absolutely feel the issue of climate change and the potential of an emissions trading scheme from the point of view of bearing the responsibility of putting that emissions trading scheme in place. I think experiencing this

from both sides of the equation certainly clarifies it, if it does not give a unique perspective on the issue. It is a very stark perspective that we have in Geelong: we need to be acting on this issue right now. I want to take the House through that.

As I said, we have a number of high emitters who are based in Geelong. There is perhaps no issue being dealt with by this government which will have a greater impact on the people of Geelong than climate change and a future emissions trading scheme. It is critical for the people of Geelong that the government get this policy right. That is why it is so important and so good that we are proceeding down the path that we are, in the careful and deliberate manner that we are, so that we will get this policy right.

Last week, Ford announced further job cuts in Geelong in tandem with the job cuts which were announced last year with the closure of the Ford engine-stamping plant. This closure is due to occur in 2010. The consequences are that 600 jobs will be lost in the lead-up to that. In tandem with that, Ford has also announced that it will be producing the Ford Focus locally in Australia at its Broadmeadows plant. I think I am right in saying that it will become the first locally produced four-cylinder car in Australia—or the only one produced at the moment. It is a significant decision being made by Ford, and it bears some examination because there are important lessons to be learned, both for our country and for an industrial region like Geelong, in the context of climate change. Whilst Ford has made this decision to manufacture the Focus in Australia, it is no thanks to the former government, which showed a distinct lack of support for the automotive industry in this country.

The former government also showed a distinct lack of foresight on this issue of climate change, did very little, as I stated ear-

lier, to provide the kind of policy indicators for business to move down a more carbon neutral path and did very little to help them in the transition to that. It is good for me to be able to report here that the Bracks review into the automotive industry has recommended significant increases of funding for the automotive industry. We have on the table now a policy in relation to climate change, of which this bill is certainly a part, which is giving very clear direction to business.

Having made that point, we see in the shift of Ford to producing a four-cylinder vehicle in Australia a response which I think is indicative of a move towards more carbon neutral and carbon friendly products and manufacturing processes across industry and manufacturing on a global scale. That is largely driven by consumers. It is also driven, to a lesser but increasing extent, by government regulation around the world through emissions trading schemes. It is true to say that part of that consumer choice is driven by an increase in petrol prices, but in a sense that only adds to the argument that we are moving into a world which is going to be much more carbon neutral and much less desirous of using carbon-consuming energy. What is important here is that our industry in Australia actually gets ahead of this curve. If we are going to have sustainable industry in Australia, in a world which is moving to more carbon neutral technology, then it is essential that that technology is developed in Australia and that that forms the direction that industry is moving to in Australia. Of course, there can be no guarantees about what industry will face as we move forward into a carbon pollution reduction scheme, but I think the one thing we can be sure of is that if we lag behind the rest of the world—if we are the last to move on this issue, if we are the last country to stay holding on for dear life to carbon intensive industries—that is a

guarantee of job losses into the future. The smartest thing we can do for industry in this country to ensure the future growth of jobs in manufacturing and industry in Australia is to make sure that our industry is embracing carbon neutral technology or more carbon friendly technology.

There is a stereotype in all of this which says that if we put in place an emissions trading scheme ahead of the rest of the world—and of course that in itself is not quite right, given that 27 other countries have preceded us—we will lose industries who will continue to do their polluting in other countries, and that represents a danger. It is articulated in the green paper and it is very important that we take account of that and that appropriate transitional arrangements are put in place. The government is clearly working very carefully on it. But there is another form of leakage of industry that we will experience if we do not embrace this, and that is watching industry leave our country to go to places which have more carbon friendly and more carbon neutral technology in place. That is the real long-term danger we face if we do not start orientating our industry to a more carbon friendly and more carbon neutral path. That is why it is so important that as a government we put the indicators out there to encourage business down that path. It is the morally right thing to do. It is also the pragmatic and smart thing to do to ensure that we promote jobs in our country.

On 11 August, I held a forum in the electorate of Corio on the whole issue of the emissions trading scheme and greenhouse gas emissions. Whilst not wanting to go into detail about what each of the participants from industry in that forum said, I think there was an acknowledgement, firstly, that human caused climate change is actually occurring and that something needs to be done about it and, secondly, that an emissions trading scheme is the way to go. I think there is

an appreciation for what the government is trying to do. I think there is also a real appreciation for the fact that the government is engaging with them and participating in a consultative process by its green paper/white paper process. This is a critical issue for Geelong, as it is for our country, as it is or our globe. The amendments that we are debating today form an important part of the suite of measures that we are talking about to underpin a future emissions trading scheme.

In the time that I have left I want to briefly describe what is being put in place here under this bill in the additional reporting requirements which provide, as I say, for an underpinning of a future emissions trading scheme. This bill will expand the suite of issues which are required to be published by a company in relation to greenhouse gas emissions and energy use. It will require the separate reporting of direct carbon emissions—that is, direct emissions that the company itself causes. It will also require the reporting of indirect emissions—that is, emissions that might be caused by a separate company which provides energy, and causes emissions as a result of that, which the first company then uses. It provides for the disclosure of the methods which are going to be utilised by these companies in calculating their emissions. It provides an ability for companies to report carbon offsets that they are putting in place, which may in fact be done in a different place or by a different business unit within the corporation. It provides for the disclosure of information, not the specific amount of carbon emissions which are occurring but rather reporting the range between two levels of carbon emissions. The importance of that is that that will then enable commercially sensitive information, which might otherwise be disclosed by providing a precise measurement, to be maintained by the company. To that end,

there is also a provision for a company to apply to withhold its emissions information on the basis that that would disclose a secret.

In addition, there is a range of other administrative measures in the bill which will assist in the reporting regime. For example, the minister can specify, as part of this, the conditions and methods by which the measurement of greenhouse gas emissions occurs. There is a simplification, for example, for the process of corporations registering under this system. There is a clarification that the term 'penalty units' will have the same meaning in this act as it does in the Crimes Act and so forth. So this actually undertakes a number of cleaning-up mechanisms, if you like, in the whole reporting regime. The information which is collected under these provisions will assist in the refinement of the policy in relation to greenhouse gas emissions and energy issues. Importantly, these amendments will not provide any further regulatory burden on business beyond the original intention of the act, and there will be very little impact on the public purse. As I indicated, these measures will provide for a robust system which will underpin a future emissions trading scheme and provide for clear and transparent sources of information to the public as well as assisting in Australia's obligations to report internationally.

As I have stated, there has been an enormous amount of consultation in relation to this bill, separate from that in relation to the emissions trading scheme generally. A policy paper was released in February of this year. Many of the affected industry representatives have been spoken to about these changes, as have the state and territory governments, and they are broadly supportive of them.

The implementation in this country of the Carbon Pollution Reduction Scheme and of the subsequent emissions trading scheme is as important an issue as we will face in this

term of government. It is the great issue of our globe. It is the great issue of our nation. And, speaking as a representative of Geelong, it is very clearly the great issue of Geelong as well. For all those reasons, this being a bill which is an important building block for that suite of changes, I very much commend it to the House.

**Mr JOHNSON** (Ryan) (12.52 pm)—I am pleased to speak in the House of Representatives as the member for Ryan and to speak on this important bill, because it also touches on issues of energy supply, energy security, environmental protection, our lifestyle and the way we will be able to enjoy a certain standard of living in the years and decades ahead. Fundamentally, the National Greenhouse and Energy Reporting Amendment Bill 2008 is a technical bill. I will just allude to that before I make some wider remarks.

The bill makes mandatory the separate disclosure of direct and indirect greenhouse gas emissions. It allows the minister to specify conditions, rating systems and the particular rating for the use of alternative methods which have been determined by the minister to measure greenhouse gas emissions. It allows for the publication of information relating to those methods of measurement, where the use of those methods satisfies the conditions. It amends the National Greenhouse and Energy Reporting Act to extend the obligations to comply with an external audit to members of a registered corporations group and amends the provisions relating to reporting requirements generally. The act was passed in September 2007, establishing a national mandatory corporate reporting system for the dissemination of information related to greenhouse gas emissions, energy consumption and production. The reporting obligations under the legislation are intended to lay the foundation for the proposed national emissions trading scheme, or ETS, due

to be introduced by the Rudd government, as we understand, in 2010.

The coalition passed the National Greenhouse and Energy Reporting Act in 2007 when it was in government. This legislation aimed at establishing a single national framework for reporting greenhouse gas emissions, energy use and production. The coalition's act had a focus that was to lay the foundation for its emissions trading system and aimed to reduce the red tape and duplication caused by the patchwork of state, territory and national programs. The Howard government wanted to try and minimise and reduce as much as possible all those additional bureaucratic and red-tape consequences that would flow from that overlap and duplication. The act also, for the first time, provided for the public disclosure of company-level greenhouse gas emissions and energy production and use.

On 14 July 2006, COAG agreed that a single streamlined greenhouse and energy reporting system that imposed the least cost and red-tape burden was a good thing and had to be worked on by its stakeholders. On 13 April 2007, COAG agreed to establish a mandatory national greenhouse gas emissions and energy reporting system, with the detailed design to be settled after the Prime Ministerial Task Group on Emissions Trading reported at the end of May 2007.

As I just alluded to in my opening remarks, this is not a controversial bill. It deals essentially with administrative and technical matters to do with reporting under the National Greenhouse and Energy Reporting Act 2007. Of interest and relevance is the minister's second reading speech, where he says:

The bill will ensure the public and investors have access to information on both a corporation's scope 1 (direct) and scope 2 (indirect) greenhouse gas emissions. This distinction has been added following public consultation. Corporations will benefit from a greater public under-

standing of how their emissions profile is composed, rather than from the publication of a single total. In some sectors, scope 2 (indirect emissions) can compose a significant share of a corporation's total greenhouse gas emissions footprint. There has been some criticism by the National Generators Forum of this proposal to include the reporting of indirect emissions from electricity, saying that it will only add to the red tape in the system without actually assisting emissions trading. In the same report, other business groups have warned that they will face significant compliance costs associated with their indirect emissions.

Of course, the people of Ryan, whom I represent, in the western suburbs of Brisbane, have a very great interest in how this government, the opposition and all members of parliament are going to develop this ETS, because they are fully aware that the proposed ETS promises to be one of the most significant reforms made to the Australian economy. Some 1,000 companies are expected to be affected, and these companies are producing more than 25,000 tonnes of carbon emissions, so it is quite significant. Therefore it has to be implemented properly. It must be implemented carefully. The ETS must be implemented effectively.

The government cannot afford to get this wrong. The government cannot afford to be reckless on this because, if they get it wrong, the Australian economy, the Australian people's standards of living and certainly the standard of living in the western suburbs of Brisbane, in the Ryan electorate, will take a king hit. That is something that I certainly will not accept, and I will not endorse any policy that affects the economic standards in the western suburbs and in the Ryan electorate. Basically, if Australian companies, Australian industries, are no longer viable and no longer profitable, they are not going to be employing people. They are not going to generate the wealth and the prosperity that is

so essential to where Australia ranks in the table of countries for its prosperity and lifestyle.

I want to refer the parliament to remarks made by Business Council of Australia President Greig Gailey, who is not some lightweight in our corporate community; he is a significant corporate figure. He has made his thoughts and, I think, the thoughts of the Business Council of Australia very clear—that is, that the ETS is essential and critical to tackling the greenhouse gas emissions that we have in our country but that, at the same time, we cannot do this with a view to damaging the economic architecture of our country. A country whose economy is in free-fall, a country that does not have economic stability or economic prosperity, is not going to be able to do much to reduce its own greenhouse gases and contribute to a wider global solution. We should not forget that climate change is a global challenge. No single country on its own will be able to make an impact; we all need to work together to try to come up with solutions. Certainly Australia, with some 1.8 per cent of global emissions will not of itself make an impact. But where we can make an impact is in our symbolic leadership and perhaps the brilliance of our engineers, scientists and policymakers to come up with a mechanism that can get the balance right between tackling greenhouse gases and maintaining an economic structure that delivers jobs and standards of living that really are the envy of the world.

Getting back to Mr Greig Gailey, because the people of Ryan probably have not had the opportunity to read the remarks of this very significant businessman and corporate leader—whose words are very much heavyweight words and words that members of the government and members of the parliament should be aware of—I want to let them know what Mr Greig Gailey said on 21 August 2008. He said:

The BCA fully supports adopting a comprehensive emissions trading scheme as the best way to reduce emissions, but getting the design detail right is critical.

Further, he went on to say:

We agree with the government that you must assist emissions-intensive, trade-exposed (EITE) businesses to avoid carbon leakage. The question is how to do that in a way which reduces global emissions without damaging the Australian economy.

Our research provides the first hard data on what will happen to real companies in Australia unless some modifications are made to the current proposals.

He is of course referring there to the government's green paper on this issue. The green paper may perhaps be a first step in developing a workable and comprehensive ETS but, in its current form, it is full of flaws and full of holes. It is like a bucket with a hole in it—it is not going to contain water. So we have to improve it. Certainly, Greig Gailey asked the government to revisit this and look at it. Unless some modifications are made to the current proposals, it is not going to be something that is sustainable in the long term. It is no good coming up with a solution that is only going to be workable in the short term; we must come up with a mechanism and an architecture that will be long term and will actually make an impact in this country.

The BCA paper, which I am sure everybody would now be aware of, reflects some concerns. Fourteen major companies in the BCA membership were examined by a pretty successful and eminent consulting company, Port Jackson Partners. Their conclusion was that, if the current thinking in the government were to become reflected in policy, the impact on the businesses they examined, and most likely companies similar to them, would be profoundly detrimental—the bottom line being that further jobs would go. We

have already seen in the Rudd-Swan budget that jobs have been cut. That is very regrettable, considering that, under the Howard government, 30-year lows in unemployment were achieved and, within a few months of being in government, the Rudd government has people exiting the door of companies throughout the length and breadth of this country. We do not want more people losing their jobs because of short-sightedness and political expediency on the part of the Rudd government.

I will touch on the points made by Port Jackson Partners in the BCA report. The BCA submitted 14 of its companies to Port Jackson Partners to explore the consequences for those companies and industries and to report back on how they would square up with the government's current policy thinking. Anybody who read the weekend's papers would have clearly seen that the report was quite devastating and significant. I know that the hardheads in the government—those with some intellectual and political capacity—will be fully aware that the article by Paul Kelly and the comments by Greig Gailey would not have gone unnoticed. There are some very fine minds in the government—not too many but a couple—and I am sure that they will be very aware of the views of Greig Gailey.

The companies explored some annual revenues ranging from \$90 million to more than \$3 billion and covering sectors from cement, manufacturing, petroleum refining, steelmaking, sugar milling, and zinc and nickel refining. So these are not insignificant industries in our economic structure. From what I understand, on average the ETS would reduce their pre-tax earnings by almost a quarter, with the worst affected in fact suffering a 136 per cent reduction. That is not something that is conducive to economic survival in the marketplace. These companies will basically go broke. And the ones

that do not go broke will probably have to ship their industries overseas. I understand that the union movement is fully aware of this and is not too keen on it. We do not want Australian jobs going overseas simply because of a reckless policy initiative by the government.

Of the 14 companies, the report reveals that three will shut immediately and four will have to fundamentally review their operations just to remain viable, after losing between 32 per cent and 63 per cent of their pre-tax earnings. The rest will have to take immediate action to reduce their costs and many potential investments will not take place. The bottom line is that this country needs investment if we are going to provide jobs and if we are going to provide technology that will take this country forward in the years and decades ahead. I want to quote an important statement again from Mr Greig Gailey:

While these case studies have focused on 14 businesses there can be no doubt these outcomes would also apply more broadly across the relevant industry sectors.

That is quite an insight from one of the most significant businessmen in this country, someone who ought to be listened to by the government—and I am sure that he will be listened to. He and I certainly acknowledge that climate change is a very significant challenge for the world. Whilst there may be some debate about the causes of climate change, I am very much of the view that we have to do something about this. The question is: how do we go about addressing this issue? How do we go about getting the balance right between tackling the consequences of climate change and at the same time ensuring that we have a certain level of living standards that we all aspire to? I tell you what: one thing that can be said is that we will not be able to make any impact at all, in any policy area at all—let alone this pro-

foundly important one—if everybody starts losing their job, companies start closing and industries get shipped overseas. That will not be to the advantage of any single Australian. I think the smart people around this place, and the smart people around the bureaucracy, are fully aware of that.

This is a global problem. I want to touch on that because, as I said before, Australia's global emissions are less than two per cent, at 1.8 per cent. Without getting China on board, without getting Russia on board, without getting the US on board then very little, in a very substantial and meaningful sense, will be achieved. I think the big challenge for this government and the leading players in this government is to try to develop an alliance, a mechanism or a system in which we can get on board the big emitters of the world—the Americas, the Chinas, the Russias and the developing economies.

I want to have it on the record that I am very sympathetic to the place of developing economies. If a lot of the emissions are caused by modern industries in developed economies and are certainly not the fault of developing economies, then there is a place for the wealthy nations of the world to make a contribution to tackling the serious environmental problems in countries like China and in the countries of Africa. I am very sympathetic to that view. We have the technology and we have the smart people who can work together. We have brilliant people in this country and we want to be able to give them options and the mechanisms to support them in ensuring that their technology goes to practical use in those countries where it is most needed.

So for my part I certainly support the introduction and the implementation of an ETS. I know that the people of Ryan support that. There is no question about that. What we do want to say is that the government

must get this right. The government must not be reckless in this. If they can get it right, they will earn more brownie points. If they get it wrong, they will earn the wrath of the Australian people, just as the Australian people and the people of Ryan have certainly rebuked the government, and the Treasurer in particular—I should not say ‘in particular’; I think the people of Ryan have rebuked the government collectively—for the way they introduced a policy that affected rebates for solar panels in the Ryan electorate. (*Time expired*)

**Mr PERRETT** (Moreton) (1.13 pm)—I rise in support of the National Greenhouse and Energy Reporting Amendment Bill 2008. At the end of this speech you will clearly understand my position on this bill, unlike the last 20 minutes where we saw someone dance around a topic and not actually say at any one time what he believed. The member for Ryan's electorate is just across the other side of the river from me, a nice two-iron away—a well-hit two-iron away, perhaps—but there is a giant chasm between us in terms of what we actually agree on. I am not sure what he believes in terms of a greenhouse strategy. Perhaps his contribution to not adding to greenhouse gas might have been to avoid that speech rather than waste our time. I did not understand what he believed in by the end of the speech any more than I did at the start of the speech.

This bill is another step along the way to achieving an effective carbon pollution reduction scheme. It makes some minor amendments to the National Greenhouse and Energy Reporting Act 2007 to improve the administration of the reporting process. Under the act companies are required to report their greenhouse gas emissions if their facilities emit 25 kilotonnes—25,000 tonnes—or more of greenhouse gases or produce or consume 100 terajoules or more of energy, or their corporate groups emit 125 kilotonnes or

more of greenhouse gases or produce or consume 500 terajoules or more of energy.

Like the member for Ryan, I do spend a bit of time going to schools. It is always a good idea to listen to the children, because they will certainly teach me lots of things and I also try to educate them where possible. I am going to touch on one education thing—having been a teacher—and that is to explain what a terajoule is. One joule is the energy required to lift a small apple one metre straight up or the energy released if the same apple were to fall a metre. A megajoule is 10 to the sixth, a gigajoule is 10 to the ninth and a terajoule is 10 to the 12th. That is a '1' with 12 zeros after it, or a million million apples. So think of lifting a million million apples. We often use these terms, so I thought I would unpack that particular bit of information for the information of the students up above in the gallery. This bill, more than any other bill today, is about the future of the students up above—rather than some of the other people in the House.

Currently, around 450 companies are required to report; however, lower thresholds will gradually be phased in from 2010 and the number of companies involved will be increased to more than 700. This amendment will simplify the emissions reporting requirements for companies and will help to give us a clearer picture about the emissions that companies produce. And that is a good thing. At the same time, the bill will increase the number of matters which may be published by the Greenhouse and Energy Data Officer to improve public access to information on corporate use of energy and greenhouse gas emissions. To quote the rock singer Ben Lee, 'We are all in this together,' both individuals and companies.

Perhaps the most significant amendment in the legislation is the mandatory requirement for the separate public disclosure of

direct and indirect greenhouse gas emissions. Direct greenhouse gas emissions are those owned or controlled by a company, while indirect emissions are those produced by third parties using a product. The most obvious example is electricity consumption. This new reporting process will give consumers and investors a much more realistic idea about emissions, as some sectors contribute to significant indirect emissions.

The government will simplify the reporting process by setting up an online emissions calculator. This is a problem for the future, so we are using future technology. With the online emissions calculator we are avoiding red tape and avoiding any significant increase in the reporting burdens that will be faced by business. Business well understands the challenges that are upon us when we actually put a real value on carbon. This bill will also give the minister power to determine the methods for measuring emissions, energy production and energy consumption. The minister will set out how emissions, reduction, removal, offsets, production and consumption are to be measured. Registered corporations and members of a corporation's group must also comply with an external audit process.

I remain very optimistic that Australians, both individually and at the corporate level, can achieve significant changes in the way we use carbon and other greenhouse gas emissions. This is not just a blind hope or youthful enthusiasm—or maybe I should say 'middle-aged enthusiasm'. I turn to the example provided by South-East Queensland, and I do so especially for the benefit of the member for Ryan. When we were faced with the worst drought in 100 years in South-East Queensland, residents and businesses completely changed the way we approach water use. We installed water-efficient tap fittings and shower roses, we covered our pools, we mulched our gardens, we turned off our

sprinklers, we changed the way we washed our cars and we shortened our showers. Nearly every shower in South-East Queensland now has a little blue egg timer in it. In fact, I have got one up in my office. I am so used to having four-minute showers now; I thought I would do the same thing in Canberra. In short, we learned to value every drop of water. In fact, we slashed our water consumption from almost 300 litres per person per day, before the drought, to as low as 112 litres per person per day in July this year. This is despite quite a cold winter—for Brisbane, I would stress—where a warm shower might be something that people cling to.

Through education and a change of attitude we can do the same thing with carbon emissions. We can effectively put a shower timer on every light and on everything that we use. That is basically what the Rudd government is trying to do. We must do the same thing with our carbon emissions. In fact, some of us already are doing the same with our carbon emissions. Many schools, businesses and community groups in Moreton are already doing what they can to implement energy-saving initiatives.

A very common topic during my visits to schools in my electorate is the initiatives they are undertaking. I will just digress for a second. I was doing a talk on politics at one of the schools—St Sebastian's at Yeronga—and I had a strange question from one of the students who was doing a research topic. They asked lots of questions, but one of them was quite interesting. He asked, 'Do you know David Elder?' His job was to find out about the Serjeant-at-Arms. I was able to say, 'Yes, I do.'

I will return to the topic at hand: examples of schools in my electorate and the energy-saving initiatives they have taken. Wellers Hill State School, up in Tarragindi, have a gardening club that meets every week. They

plant trees and teach the students about sustainability. The school recently won an Ergon Energy Switch Award for their efforts to cut energy use.

At Robertson State School, right in the middle of a very multicultural part of my electorate, all the kids are getting together with the teachers and parents, and they are playing their part by installing rainwater tanks. Even though it is a large school with a large oval, the school informs me that soon they will be totally reliant on rainwater. They have also set up an EcoKids committee, getting every kid involved as much as possible, to raise awareness about environmental issues. One of their ideas was a 'no rubbish day' when all the students brought their lunch in reusable containers. I assume the opposition would be interested in a 'no rubbish day'. It is certainly something I will be telling my other schools as well, because I think it is a great initiative to have no rubbish created on that day by those people.

There is also Sherwood State School. They are installing water tanks and they have integrated environmental education into the school curriculum from go to whoa so that at every occasion, be it maths or English or whatever, people are learning about how to do the right thing by the planet. At Junction Park State School, which is technically in the Prime Minister's electorate—it is just across the road but I have friends and constituents who send their children there so I will refer to what they are doing—they have installed water tanks for their oval and pool and a solar heating system for the pool. Each class maintains its own section of the school garden. These children will go home and teach their parents and their grandparents about what can be done. It is not enough to say, 'Australia produces only 1.8 per cent of the global emissions.' That is not the right attitude at all, but it seems to be the white flag that is being raised from the other side of the

room. What can we do? Well, we can all do our little bit.

But it is not just schools. Local companies are also changing their ways for the good of our environment. Hastings Deering, a big company based in Archerfield—they are also technically in Oxley, just across the road—supply Caterpillar heavy equipment to the mining, construction and forestry industries. They have a great apprenticeship scheme as well and they have introduced a fuel efficiency training program to help users reduce fuel burn. This program has the potential to achieve significant fuel savings, so everyone benefits. Another company doing their part are Toll, a major freight and transport company with a warehousing and distribution centre in Moreton. They have already introduced improved waste management systems and now they are working on other ways to address greenhouse gas emissions. For example, they are developing a better emissions reporting process and providing advice to customers about the most environmentally friendly transport options available. Good environmental practices normally make good business sense. These are just some of the starts that the companies in my electorate are making and no doubt there are lots of others with even better initiatives that I hope to hear from over the months ahead.

As you can see, people in my electorate, the electorate of Moreton, have a completely different view from the opposition when it comes to climate change—a completely different view from the people on the other side of the river in the electorate of Ryan, or maybe the member for Ryan has a strange connection with his electorate. At a street stall in Graceville on the weekend lots of people came along to talk to me about the Carbon Pollution Reduction Scheme. In fact, some of them were having a laugh because, at a fundraising dinner I went to a few weeks ago for the victims of the Chinese earth-

quakes, a signed copy of the green paper was raffled for \$200. That is how interested people were—that a green paper could go for \$200. I did say that I could have given it to them for free, but they thought it was a good cause. People understand that, unfortunately, we will all have to experience some short-term pain before we get the long-term gains. We need to do this if we are serious about addressing climate change into the future.

I said at the start of this speech that you would know my position on this bill clearly by the end, because I am proud to be part of a government that is serious about tackling the causes of climate change. I can look my son and the schoolchildren I meet in the eye and talk about practical hope—not just hope, but practical hope, the things that we can do. Unfortunately—and children need to understand this—usually fear will trump hope in politics. Fear usually trumps hope. Unfortunately, in this card game, we are playing for the future of our planet, not just for a brief boost in the opinion polls or a bit of media attention. This is too important. So I am proud to support these amendments which help lay the foundation for the Carbon Pollution Reduction Scheme and which will be introduced by the Rudd government in 2010. I commend the bill to the House.

**Mr MORRISON** (Cook) (1.26 pm)—The National Greenhouse and Energy Reporting Amendment Bill 2008 is to amend an act established by the former government to provide a critical component for the establishment of an emissions trading scheme. The reason I note this is that November 2007 did not mark ground zero in this country's efforts to address the issue of reducing carbon emissions. Those opposite would have you believe that there was a new ground zero in November 2007 and that all that had gone before was of no consequence—nothing happened and there was no movement forward on any matters. They would deny that Aus-

tralia was the first to establish a greenhouse office; that there was a reduction of 85 million tonnes of CO<sub>2</sub>, allowing Australia to meet its Kyoto targets; that leadership and funding for a global initiative on forests and climate had been put in place; and that there was the introduction of a renewable energy development fund to support emerging technologies. They would deny that there was support for individuals and community groups taking action through programs such as the solar rebate—something which is very dear to the hearts of those who are trying to get access to a solar rebate but no longer can as a result of the government's decision to means test—solar cities; solar hot water rebates; community water grants, which have been reduced under this government; and green vouchers for schools initiatives. There is a record of practical measures that the previous government could be very proud of. One thing that the government have sought to highlight in putting forward the myth of there being a ground zero once the Rudd government was elected is that somehow it was the religious ferocity with which he pursued these matters that was the measure of their serious intent, rather than the things that they actually did.

It is interesting to review this bill, because it was introduced to amend an act introduced by the previous government to provide the framework—the basis—of a national reporting system to support the introduction of an emissions trading scheme. So work was underway under the previous government to establish an emissions trading scheme and there was a clear commitment to do that. There was not just a commitment; there were bills and acts that came through this place to make sure that we move towards that objective.

This bill seeks to enhance those arrangements introduced by the previous government to underpin the introduction of an ETS

by mandating separate disclosure of direct and indirect emissions, addressing methodological issues, addressing publication and reporting requirements and dealing with some external audit matters. These are matters to be supported, and they are supported by the coalition. In particular, the bill enhances the purpose of the act to establish a single national reporting system. The object of a single national system highlights the need for us to consider further areas of national uniformity more generally, when it comes to our energy sector and, I would argue more broadly, in relation to our utilities sector. At a state level for far too long we have had the conflict of governments acting both as a regulator and a commercial beneficiary of the operation of the entities they regulate in the utilities sector—in particular energy and water. This conflict has led to what can only be described as chronic dividend stripping that has failed our community by blocking progress and investment by state government instrumentalities in the development of next generation infrastructure and services.

We hear a lot from those opposite about infrastructure. But the investments that have not been made in infrastructure, particularly in the energy and water utilities sectors, have been the responsibility of state government instrumentalities that have had their dividends stripped by state governments to fuel ill-founded programs that have run their states into chronic debt once again. Whether it is the promotion of water recycling or investment in renewable energy sources, all of these constitute a direct threat to the commercial return from state-owned public water and energy utilities. That is something we need to address in looking at national uniformity in these measures. We should start separating the regulator from the commercial beneficiary, and all of this occurs at a state level.

As we advance to a national emissions trading scheme—a national reporting system—it is worth considering how we can further the harmonisation agenda in relation to energy and water. As this bill addresses the foundation stones of an ETS, it is important to reflect on the scheme and the climate change debate. I contrast the climate change debate we have seen in the past 12 months with what we will hopefully see in the next 12 months. Hopefully we are past the Hollywood rock star phase of the debate, past the sloganeering, the rallies and the populism. We are now dealing with the detail of issues such as emissions trading schemes and all sorts of measures that are designed to further enhance our efforts to reduce carbon emissions.

This is a much trickier agenda for members opposite to engage in, because it is easy to buy armbands, to go to rock concerts and to issue slogans, but it is a lot harder to get the details of an emissions trading scheme right and to take the community with you on those issues. It is a lot harder to debate the government's system line by line in the Senate than simply to try to bludgeon those sitting opposite into providing a blank cheque for the scheme. I want to see the Prime Minister and his ministers argue every single line of their system. I want to understand every single thing they are proposing and the impact on people in my electorate of Cook. That is how one debates change in this country, that is what John Howard did and that is what the member for Higgins, Peter Costello, did with the introduction of tax reform. They did not sloganise; they debated every line and got their changes through with some compromises. That is the nature of this process.

Since the election, the Australian community has seen the flip side of the climate change coin. We are now starting to understand the costs and the true sacrifices that

will need to be made to move forward. The debate is not about belief, faith, moral challenges, heresies or any other religiously loaded terms, which I would argue should never have been part of the debate in the first place. I am genuinely surprised that members opposite—the great defenders of the intelligentsia—would condone the use of such terms as 'heresy' in the context of scientific debates. We do not need that religious fervour to understand or believe in the need to reduce carbon emissions. It is obvious to any of us who turned on our televisions in the past few weeks and saw the situation in Beijing and who have seen it in many other cities around the world. That is why we must move forward, and the coalition is keen to do so.

With the release of the green paper, the imminent release of a white paper and the introduction of a bill, we are now at the details stage of the debate. Both the coalition and government are at one in agreeing with the decision to proceed with an emissions trading scheme. Where we differ is when—that is, when it is reasonable and prudent to introduce such a scheme. We have already seen design flaws during the debate on the green paper. The LNG sector falls below the emissions revenue threshold and as a result will miss out on the free permit system—the 80 per cent all-or-nothing line in the sand. As a result it will be disadvantaged, particularly in terms of trying to provide liquid natural gas to some of our biggest trading partners, in particular China, and to provide clean-burning fuel to what will be the world's largest emitter of carbon.

Businesses have noted that the government's plan to auction 80 per cent is well in advance of the European Union model. Prior to the election, we heard about all the virtues of the EU model and how Europe was moving forward on this great crusade. However, in debating the detail we have learnt that the

EU will not introduce 60 per cent auctions until 2012—and we are considering introducing 80 per cent auctions in 2010. That gives us a sense of where we are sitting as the world moves forward. The EU is also yet to definitively nominate the full list of activities that will be unable to pass on the cost of their emissions and where they will sit in the trading scheme post 2010. A lot of work is still to be done in the EU system, and those who hold it out as being light years ahead of this country either have not read the information or are gilding the lily. The clean-driving LPG sector, to which excise does not apply, will not benefit from any compensating rebate as proposed for other fuels. It is common knowledge that the solar sector is reeling following the imposition of the government's means test. The government has confused climate change policy with old-fashioned wealth punishment.

More generally, a Business Council of Australia study of 14 companies highlighted the cost of getting it wrong. An article by Lenore Taylor in the *Australian* of 22 August reads:

A “real world” analysis of the impact of the Government’s plans—based on 14 companies that opened their books for the Business Council of Australia—revealed that even with the Government’s proposed compensation, three firms would face a carbon cost so high they would close.

...      ...      ...

... on average, the companies’ pre-tax earnings would be cut by 22 per cent. The worst affected would suffer a 136 per cent reduction in earnings. BCA president Greig Gailey is quoted in the article:

“Our research tells us the Government’s plans would have significant and—

and he is generous here, I note—

unintended consequences for business ... we don’t believe the Government intended to design a scheme to achieve the outcome of businesses and jobs moving offshore—

I certainly hope not—

... but that would be the outcome of the Government’s plans ...”

All of this highlights the reason to proceed with caution and to proceed on the basis of sound research and evidence based policy to make sure we get this program right. The government would have us believe that if an ETS is not up and running by 2010—and you would have seen the ads that say this; it would be pretty hard to miss them—our reef will bleach, our rivers will dry up and our coasts will submerge. Those ads are not talking about whether or not we introduce an ETS, because both the coalition and the government have the same policy about going forward with an ETS. Two years is the difference between us on this matter. In fact, in parliament yesterday the Prime Minister even had the temerity to imply that the mere release of the green paper somehow had a material impact on the Murray. With due respect to bureaucrats, I think that only bureaucrats could possibly conceive that the existence of a committee or a report could have such a magical influence.

What matters is that we are committed to an ETS. The global issues are significant and if they are not addressed then we will not be able to save the Murray, we will not be able to stop the reef from bleaching and we will not be able to avoid the impacts of climate change. It requires global action and the commitment to go forward with an ETS as a signal of intent that genuinely allows us to put pressure on other countries and other economies around the world to move forward and secure a meaningful, comprehensive global agreement. The collapse of the Doha Round, I think, highlights the challenge that is before us with something like climate change. But that is the main game in addressing a global problem. We must do what we need to do and as we have been doing. Unless we can achieve that global

agreement then the prophecies, if you like, may come true. Unless China, India and Brazil, in particular, and the like are part of the solution then we will make insufficient progress. I am not saying we will not make progress, but we will make insufficient progress to avert what Professor Garnaut has described as diabolical consequences. We still must proceed on an adjusted path, if that is the case. The world, I believe, will wake up on this issue at some point. At that time, I believe we must be the world leaders in the technology, services and expertise that will then be in high demand. So we must move forward on developing all of these areas and we must move forward regardless of what other economies do but on a sensible trajectory.

The reason I appreciate an ETS is that it is a market based system. It puts a price on carbon to change the investment fundamentals and to redirect capital where it must be placed to secure advances in technology and in other developments that we need in order to move to a low-emissions future. An ETS is all about balancing economic and environmental interests. It is not a punitive measure. It is not an 'I told you so' tax, which is the impression I get from reading the commentary from some who say that this system 'cannot let these people get away with it'. It is not about that; it is about balancing economic and environmental interests to get an outcome in the nation's best interests. There should be no talk of pernicious and retributive punishments on industry. They have done business under a system and a set of regulations that have allowed them to operate this way. We should look closer to home at what we need to change to ensure that we can move towards a better system.

The coalition wish to address climate change in hope not fear. The earlier speaker made mention of the importance of fear. The only fear I see being peddled on this issue is

the fear of destruction—the fear that it is all going to come to a grisly end and the fear that is used to bludgeon people into decisions. I am far more hopeful about the future. We want to work with and for our community to help us make the changes that are needed. We need an optimistic view so we can face and meet the technological challenges. There are some who believe we must crash our economy and depopulate to find a new balance. I do not share this view. The environment is not the only legacy I wish to leave to my daughter and future generations.

In that context, we must deal with the elephant in the room—that is, coal. Discovering the answer that provides a low-emissions future for coal will enable us to both meet our commitments and lock in Australia's resource advantage in the global marketplace. We must address the use of coal. You simply cannot ignore it as an inconvenient alternative. The issue of coal in our future requires us to rethink in the national interest the concept of exclusively renewable energy targets. Given the importance of coal to Australian jobs and to our economic advantage, we must seek to include in our goals not just renewable energy but what the shadow minister for the environment calls clean energy.

There is also the need to reward those who are opting to invest in the next best currently available alternatives. In advance of better technologies coming, we should give them the support and assistance they need to make those decisions. With an ETS we must ensure that it is at the centre of our new universe of regulation. All these other measures that have existed before now need to be reconsidered in the context of an ETS. The ETS is the centrepiece and whether it is mandatory renewable energy targets, systems of buying back solar energy from residential homes to go into the grid or cogeneration and generators in the bottoms of buildings, all the regulation and the issues must sit

around and complement the operations of an ETS. We cannot allow this to be another accretive form of regulation that clogs up our economy and fails to meet its environmental objectives.

We need to move forward with a range of these measures. There is a need to reward those who are opting to invest, as I said, in the next best technologies. There is a need to have incentives for investment in solar, wind, geothermal and tidal and all of these sorts of things. For the record, I am not one who believes that nuclear energy will provide Australia with the answer. I believe there are other alternatives that should fill our agenda to the brim before anything of that nature should ever be considered in this country.

We must ensure that the mandatory targets do not confound our ETS and we must ensure that the balance of measures is always tipped towards incentives—for example, by supporting developing countries to retain their forest and establish viable economies. It is about harmonising our state laws to ensure an effective national approach on everything from standards of new homes and buildings to ensuring that there are sufficient incentives to retrofit the 300 million square metres of existing commercial space and the 8½ million existing homes that are out there. This is an approach that is all about hope, not fear—believing that we can have a lower emissions future without crashing the car and causing the destruction to jobs and economies. I guarantee you that if we crash this economy in an attempt to satisfy some zealous objective and in the process fail to even meet that objective then all we will have as a result will be wrecked families and wrecked communities as a result of a wrecked economy. That is not something that any of us in this place can sensibly embark upon. My thoughts on this bill are simple: it provides the next step in a path already commenced by the previous government, and we will

work together to find the solution to an ETS that works, that protects our economy, that protects jobs and that protects the future of our environment for all Australians.

**Mr CHEESEMAN** (Corangamite) (1.46 pm)—I am very pleased to speak to the National Greenhouse and Energy Reporting Amendment Bill 2008, which is another important step in the Rudd Labor government’s program to address climate change. This bill is another example of our determination to tackle this issue. This step is important in itself, but it is also an indicator that we are now getting on with the job of tackling the issue of climate change.

Thankfully, we are now well past the days of inaction and scepticism of the previous coalition government. We are now moving into an age where greenhouse gas emissions have to be recorded and reported on and this information made public. This is another important day for the future of our planet. For me, this gives a real feeling of relief—a feeling that we are now finally getting somewhere on this important matter. I cannot easily describe my feelings of frustration with the previous government. They continued to deny climate change was a matter of urgency. Pretending to believe in human induced climate change but doing nothing to seriously collect information on it, let alone doing something to address it, leaves the consequences, of course, for the next generation. The enormous social and economic consequences would be significant. When the whole scientific world was crying out for them to do something, in my mind that was the greatest act of irresponsibility of any federal Liberal government since Federation. Theirs was a government that said: ‘Who cares about the future? Hang the consequences; we just want to get elected.’

This bill starts to put in place an emissions disclosure and reporting system that has real

integrity. With this bill, today is a good day for us. But there is another more important day approaching—31 October 2009. That day will see the first corporate reports by industry on their emissions. That will be another milestone day for Australia's climate change response. I hope that the media gives it the attention it deserves. It is the first national emissions knowledge day—a very important step. It will show that we are indeed finally really getting somewhere in addressing this great challenge of our generation and what will be an even greater challenge for future generations. Under these climate change initiatives, corporations that go over agreed emissions thresholds must have registered by 31 August 2009 and they must provide information about their emissions and energy use for the 2008-09 financial year.

This bill improves a number of aspects in the administration of the National Greenhouse and Energy Reporting Act 2007. It ensures that the National Greenhouse and Energy Reporting System will collect robust comparable data across the Australian economy. This information is absolutely critical for two reasons. Firstly, it will underpin the emissions trading scheme, which is essential to systematically address climate change. Secondly, it will provide better information to the public. Obviously the first point is intrinsically important. To operate an emissions trading scheme, we need a detailed and comprehensive emissions reporting system, industry by industry and company by company. But the second point is also important. I believe that the public are crying out for information about the world's emitters. The Australian public are crying out for real data and information on the big Australian emitters. I certainly want to know more. Public knowledge is actually critical in informing a consumer market. Public disclosure is an area where this bill does go beyond existing

policy. The impact of these amendments will see an increase in the amount of information collected and publicly disclosed. I believe this important public knowledge will inform consumer behaviour on product purchasing and as such will have a positive effect on addressing climate change. Once the public know who the big emitters are, and consequently what products create the most emissions, I believe the public will make more judicious purchasing decisions. They will buy fewer products that create more emissions. That, I believe, will be the natural outcome.

There is another important area affected by increased public disclosure: it affects investor behaviour. As we know, investor behaviour can have a clear impact on the future of any industry. This bill makes sure that the public and investors get better access to information on greenhouse gas emissions. We should not underestimate the impact that this will have in improving our climate change outcomes. I think, in fact, that it will be profound.

I would not be the first to say that knowledge is power. In this case knowledge about emitters is power to influence the consequences of climate change, power to make more informed decisions. This bill will expand the number of items which can be published relating to a corporation's greenhouse gas emissions and energy use, including separate public disclosure of both direct and indirect emissions and disclosure of information about the methods used to calculate emissions. This bill will also provide some clarification about what can be publicly disclosed. It will allow publication of data according to a corporation's business units and will confirm that totals may be published as falling between a specific range of values in cases to avoid revealing trade secrets or commercially sensitive information. Allowing publication of information relating to

offsets is very important. It is also important to say that this bill allows corporations to apply to have information withheld from publication if it reveals trade secrets or commercially sensitive information. This will be expanded to cover the new matters which are subject to publication.

I would like to add a warning here: it is very important that we monitor this area closely. Whilst not intended to do so, these sorts of clauses can be used to withhold information under the guise of commercial confidentiality. Whilst most companies do the right thing and most company directors are aware of their corporate governance responsibilities, there are always a few who cut corners, particularly if it is in their commercial interest—even more so if they work in an industry that is under significant pressure. Clearly, some industries will come under great pressure as we have to adapt to climate change. We have no choice. This is part and parcel of the process we are currently undergoing of the great change to new industries. Those companies that are very heavy emitters must change their ways. They must have help and assistance and the transition must be known and measured, but they must change their ways. There is no alternative.

The Iron Lady once said—and I hate to quote her but it is very apt here—for the future of our planet ‘there is no alternative’. It is vital for both public confidence and public awareness that the public knows who the heavy emitters are. So, we have to keep a very close eye on the reporting system to make sure it is working and that corporations are complying fully. I am confident that the government is aware of this and will monitor trends in this area very closely.

As I have already said, knowledge is very important in this issue. On this issue, I would like to suggest a glimpse of a future world, a world where managing greenhouse gas emis-

sions is an even bigger imperative than it is today. One day I would like to see a product market with a lot more information on emissions. One day in the future I believe we will have a system in place where, alongside the ingredients and documented nutritional values of products, we will also have a rating for emissions units for each and every product. In the future, we will have the bar of soap or the jar of Vegemite which has on the packaging the calculation for the emissions trading units. Or perhaps it will be just on the jar, because I am sure the pressure to do away with a lot of packaging will build intensely in the coming years. But that is at a stage in the future hopefully not too distant.

Another important aspect of this bill is that it allows the minister to specify conditions for methods of measuring greenhouse gas emissions and energy—to specify a rating system for such methods. Any reports made in the future will need to meet any such conditions. The bill will allow offsets to be reported separately from the greenhouse gas projects. Currently, the act only allows offsets to be reported if they arise from a project carried out by the corporation. Importantly, this would exclude the possibility of reporting offsets created by the activities of different corporations. The regulations on offsets are still under development. But, as is already the case for greenhouse gas projects, information about offsets may be published. This bill also ensures that a contractor to a member of a controlling corporation’s group may report their emissions directly to the government, and ensures that public disclosure of a corporation’s data according to business units has been included following consultation with industry. Several leading industry players have requested this option.

The Australian government are committed to reducing greenhouse emissions. We are absolutely committed to securing robust, accurate and reliable data to build an emis-

sions reduction scheme based on science and with real integrity. The government are working cooperatively and sensibly with Australian business and state and territory governments to implement the National Greenhouse and Energy Reporting System. Unlike the previous government—today's opposition—we are totally committed to taking the necessary steps, in a measured way, towards addressing climate change. The conservative parties throughout history have always been characterised by an ideology that relegates our environment to second place. They have always taken the view, 'If there is an industry that pollutes, she'll be right. We'll fix that up some time later.' Well, today there is no 'some time later'. The chooks have come home to roost. The opposition are all under their benches, hiding, on this issue. And their fearless leader? What a joke.

*Honourable members interjecting—*

**Mr CHEESEMAN**—Apologies for any offence! The fact is that, in their hearts, they do not believe it. In my mind it is important that we address emissions trading. It is important that we have access to strong information on this matter. We have not seen a consistent position adopted by those on the other side. They continue to flip-flop from one position to another, constantly changing their position as the argument evolves. We on this side have a very clear position. We know we must take steps to address this issue—

**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.

#### MINISTERIAL ARRANGEMENTS

**Mr RUDD** (Griffith—Prime Minister) (2.00 pm)—I inform the House that the Min-

ister for Trade will be absent from question time for the remainder of the sitting week as he is attending the ASEAN Economic Ministers meeting in Singapore. The Minister for Foreign Affairs will answer questions on his behalf. Also, the Minister for Families, Housing, Community Services and Indigenous Affairs will be absent from question time today. The Minister for Housing and Minister for the Status of Women will answer questions relating to families, housing and community services. The Minister for Health and Ageing will answer questions relating to Indigenous affairs.

#### SIR DONALD BRADMAN

**Mr RUDD** (Griffith—Prime Minister) (2.00 pm)—On indulgence, today is the 100th anniversary of the birth of Sir Donald Bradman, Australia's greatest sportsman. His contribution to cricket is unrivalled. He represented Australia for 20 years, playing 52 tests from the 1928-29 season through until 1948, and he finished his test career with a remarkable batting average of 99.94. No-one else has ever come close to this. I suspect no-one else ever will.

One hundred years ago today Don Bradman was born at Cootamundra, and he quickly developed his cricketing skills. He made his first-class debut at the age of 19 and not long after became the youngest player to score a test century for Australia. He soon became not just Donald Bradman but 'the Don'. During the tough years of the Depression he was a hero at home and a great source of national pride during difficult times. Years later, after the Second World War, he led the Australian team on its famous 1948 tour of England. The Don was the captain of the now renowned Invincibles.

Don achieved more than any other player in cricket. Don Bradman was absolutely dedicated to the game he loved and a consummate professional. He was continually

looking to improve his game. He inspired people during the years of the Depression as he continues to inspire people today. Sir Donald Bradman was indeed a great Australian and he remains a great example of Australian sporting excellence.

**Dr NELSON** (Bradfield—Leader of the Opposition) (2.02 pm)—On indulgence, I join with the Prime Minister in celebrating and recognising the 100th anniversary of the birth of the great Sir Donald Bradman, the greatest sportsman in any sport and any era, as far as I am concerned. Sir Donald Bradman of Australia was beyond any argument, according to the cricketing bible *Wisden*, ‘the greatest batsman who ever lived and the greatest cricketer of the 20th century’. He made 6,996 runs in 52 tests for an average of 99.94. To put that into some perspective, Bradman’s average is more than 30 per cent higher than the next best average, which is 68.38, of all of the cricketers who have ever played the game. He was just four runs short of averaging 100.

His name and what he achieved was so far out of the reach of any player in his time or any player who has played since, it is almost like he played a different game from what we are playing, as Ricky Ponting said only yesterday. The newspaper posters of the day said, amongst other things, ‘Bradman bats and bats and bats’ and ‘Bradman versus England’. One London evening newspaper blazoned just two words across its front page: ‘He’s out’. Someone had finally managed to dismiss him. But in the end it was not the numbers; it was the man. We celebrate the life of Sir Donald Bradman and the inspiration that he provided and provides to our nation. This evening there will be a significant event in Sydney to celebrate his life, his achievements and his legacy.

## QUESTIONS WITHOUT NOTICE

### Economy

**Dr NELSON** (2.04 pm)—My question is to the Prime Minister. Prime Minister, why are Australians worse off since the election of the Rudd government and does the Prime Minister take any responsibility for it?

**Mr RUDD**—As Prime Minister of the country, I take responsibility for all the news in this country on the economy—good news, difficult news and bad news. That is what political leadership is about. Secondly, I would say this: in terms of statements made by the Leader of the Opposition, what I will not be saying is what someone said in a different place, in a different space but from this side of the parliament at that time, and that is that working families have never been better off. Our attitude is simply this—

*Opposition members interjecting—*

**The SPEAKER**—Order! Those on my left will come to order!

**Mr RUDD**—Our attitude is simply this: you can engage in that sort of political language, as Mr Howard as Prime Minister did, or you can engage in some very direct conversation with the Australian people about the challenges that we face, and the challenges we face are substantial. They are challenges which are substantial, derivative of what is occurring in the international economy. They are challenges which are substantial on the basis of the legacy of 12 years of neglect we inherited from those opposite. They are substantial because of the 10 interest rate rises that we had in a row, and substantial also because of the impact which those 10 interest rate rises in a row had on the level of activity in the Australian economy and, on top of that, on the overall confidence on the part of business and consumers in the economy.

So either you can engage in some basic, straight conversation with the Australian people about the difficulties which exist in the Australian economy today or you can engage in the extravagant rhetoric of which those in the past were past masters. Our preference is very much the former, and this is why we will be upfront with the Australian people about the challenges Australia faces. We will be upfront with the Australian people about how we intend to deal with those challenges. We will be upfront with the Australian people about, for example, the fact that, if we are going to bring down greenhouse gas emissions, that will cost the economy, rather than pretending that it somehow can be done in a cost-free fashion. I believe the best way forward is to be upfront and straight with the Australian people about the challenges they face rather than plucking statements out of the air, as those opposition are so given to do.

### Education

**Mr PERRETT** (2.06 pm)—My question is to the Prime Minister. Why is the government's education revolution critical to building a strong economy and a fair Australia?

**Mr RUDD**—In terms of dealing practically with the challenges Australia faces for its economy and its long-term future, education is front and centre. If you go to our response to the economic challenges of today, they come at, at least, two or three levels. One level is our approach of responsible economic management to deal with global economic circumstances, anchored in a strong budget surplus, in order to put downward pressure on inflation and interest rates. And, coming off the back of 10 interest rate rises in a row, that is a responsible, prudent course of action, as opposed to that advocated by those opposite. That is one level of response.

The second, of course, is to make sure that we are investing in this economy's long-term future. Our long-term future as an economy depends on how we generate long-term productivity growth. We know from the data that productivity growth has been slowing in recent years, and we know for a fact that the absence of investment in skills, education and training, together with an absence of investment in infrastructure, have been among the main drivers in the supply-side constraints in the economy which have put, in fact, upward pressure on inflation and interest rates in recent years—the subject of 20 consecutive warnings from the Reserve Bank of Australia to those opposite when they were in office and about which they did nothing.

By contrast, this government has a clear-cut course of action. When it comes to education, our course of action is this. We, through the budget, have outlined our fiscal intent to lay aside \$11 billion in an education investment fund—

*Opposition members interjecting—*

**Mr RUDD**—I notice again a reference to slush funds by those opposite. So, when these moneys from this fund flow to a university or a TAFE college in the electorate of the honourable member who was intervening then, I presume they will not welcome that injection of funds—is that correct? Is it correct that, when it comes to an investment from the Building Australia Fund to meet high-speed broadband needs in the rural and regional electorates of Australia represented in part by the National Party, I can take it that those opposite will say, 'No, we don't want the connection; we actually want to make sure that internet speeds in rural and regional Australia remain as slow as they are now'? Is that what you are saying? Are you saying that, when the Building Australia Fund is dedicated to dealing with the chal-

lenges of urban congestion, those opposite will say, 'Oh no, we don't want that investment here. We want people simply to stay in their cars, day in, day out'? I think those opposite speak with forked tongues. When it comes to these investment funds for the future, whether that investment is in education, health or infrastructure, we have a plan for the future—as opposed to an excuse for inertia, which those opposite have.

On the education revolution, the big challenge is this: what do we do to make sure that those kids attending schools across Australia have the best quality education possible? Our starting point as a Labor government is this: it does not matter where you come from, what side of the tracks you have grown up on, you should have, through the school system, the best opportunity possible to make the most of your life. That is what galvanises us as a Labor government.

How do we do that across the school systems of the country? You can either do as our predecessors did and say, 'Not our problem; we'll blame the states,' or you can engage in a creative dialogue with the states about how you can make it better. And that is what I was outlining today in an address to the National Press Club. What we have said is that we intend to embrace a reform agenda for the future on quality education for Australian schools, quality teaching for Australian schools and quality leadership for Australian schools, to ensure that we have, also, proper transparency in the public reporting of the performance of Australian schools, and, on top of that again, that we have an ability to fund and to invest in those most disadvantaged schools, to ensure that they get the best teachers, the best resources possible, to lift them to the standards of other schools.

This quality education reform agenda, which I and the Deputy Prime Minister have outlined today and on previous days, is an

important next step in the education revolution that we have planned for this nation. An education revolution is necessary because we have an ambition for Australia to have, with our workforce, the best educated, best trained, best skilled workforce in the world. But you cannot just pull that out of thin air. You have to put money to the task, and you have got to put quality reforms in place as well. And the qualitative reforms that we have put forward are robust and strong.

We will engage the states and territories in the months ahead on negotiations about two new national policy partnerships: one on quality teaching, the other on those financially disadvantaged schools in low socio-economic areas. And, on top of that, through the proposed new national education agreement, we will make it a condition of that agreement to ensure that schools in the future are performing at an optimum qualitative level for the needs of kids right across the country.

These are well thought out, concrete plans for the future. These are planned proposals with money attached. There are conditionalities attached. But our end point is clear. How do we make sure that kids in schools across the country—in the rural and regional electorates of Australia, in outer metropolitan Australia and in inner-city Australia—have the best opportunity possible to make the absolute best of their lives? We do not intend to say, 'This is a problem for the states; this is a problem for the territories; this is a problem for anyone else apart from us.' Instead, we are putting our shoulder to the wheel: more funds to be addressed to and injected into the school system, but based on clear-cut quality benchmarks, to ensure that we have the best teachers possible, that we have the best school leadership possible, and that we have the most appropriate funding injection possible for the most disadvantaged schools,

because that is part and parcel of securing our country's long-term economic future.

#### Education

**Dr NELSON** (2.13 pm)—My question is to the Prime Minister and relates to his previous answer and his address to the National Press Club this afternoon. Hasn't the Prime Minister today merely reannounced the coalition government's legislated negotiating position with the states on education as a means of distracting Australians from the fact that they are worse off under the Rudd Labor government?

**Mr RUDD**—In preparing for the address to the National Press Club, the departmental advisers came forth with a list, I thought, of 24 reports on teaching quality prepared for the government which preceded us. And I would ask the people of Australia: what happened to those 24 reports? What happened in terms of the implementation of the recommendations which came from them? What happened?

What I can say is that this government has not an excuse for inertia but a clear plan for the future. If those opposite were serious about those reforms, if those opposite were serious about the recommendations that came to them before, they would have done one of two things: they would have put their money where their mouth was and engaged the states in a real dialogue about investing in the school's future or they would have simply stumped up to the dispatch box and said that, for them, it was a political stunt. Absent co-investment is what it added up to. There were 24 reports—somewhat analogous, I have got to say, to all those warnings that the Reserve Bank gave the previous government about the challenges of inflation. It goes to a character failing of the previous government.

There were all of these reports rolling in the door but, at the end of the day, the previ-

ous government of Australia was not faintly interested in taking those recommendations forward and making something of them in terms of a reform agenda for the future. Worst of all, at a time when there was cash rolling in the door through the resources boom, the previous government did not use it to invest in the school needs of the future but instead squandered it through one act of consumption after another. Those opposite should hang their heads in shame.

#### DISTINGUISHED VISITORS

**The SPEAKER** (2.15 pm)—I inform the House that we have present in the gallery this afternoon members of a parliamentary delegation from Canada led by the Speaker of the House of Commons, the Hon. Peter Milliken. On behalf of the House I extend a very warm welcome to our visitors.

**Honourable members**—Hear, hear!

**The SPEAKER**—In addition, I inform the House that we have present in the gallery this afternoon His Excellency Mr Celso Amorim, Minister of External Relations in the government of the Federative Republic of Brazil. On behalf of the House I extend to him a very warm welcome.

**Honourable members**—Hear, hear!

#### QUESTIONS WITHOUT NOTICE

#### Education

**Mr SYMON** (2.16 pm)—My question is to the Minister for Education, the Minister for Employment and Workplace Relations and the Minister for Social Inclusion. Which approaches to boosting teacher quality are effective and which approaches are ineffective?

**Ms GILLARD**—Thank you to the member for Deakin. I know he has a deep interest in education. I welcome the fact that the Leader of the Opposition asked a question on education today, because it means that during the life of this parliament we have now seen

one question on education from the shadow minister for education and one question from the Leader of the Opposition. I think that tells everyone everything they need to know about the level of interest of the Liberal Party in education. They do not care; they never did.

In office, they never acted on the question of teacher quality. We know from the research around the world that nothing matters more to the ability of a student to learn in a classroom than the quality of the teacher standing in front of them. We are determined to enter a new national partnership with our state and territory colleagues and with the Catholic and independent school systems to improve teacher quality around this nation.

When we are improving teacher quality around this nation we will draw on the best learning across the world. In particular, we are drawing on approaches from the United Kingdom and the United States, through the Teach First and Teach for America programs, which have brought some of the best and brightest graduates in those countries into teaching. Whilst we have some great teachers in this country, I do not think any Australian today could say as a standard that the best and brightest graduates in our universities today aspire to go teaching. In part I suspect that is because for more than the last decade the Howard government talked teaching down.

We want to make sure that the best teachers are recognised and rewarded. We want to make sure that the best teachers stay at the front of Australian classrooms, that their accomplishments are recognized and that they know they are valued by the Australian community.

*Dr Nelson interjecting—*

**Ms GILLARD**—I am asked what approaches are effective and what approaches are ineffective. Let me remind the House of

the ineffective approaches of the former government. What did they do? They talked about teacher quality and did nothing. Indeed the Leader of the Opposition has been interjecting across the table, asking me, ‘Did you read my second reading speech when I was education minister?’ Well, frankly, who cares? Your second reading speech did not improve teacher quality, because you never got anything done. The last education minister of the Howard government, the current Deputy Leader of the Opposition, came up with what I suspect would make the list of one of the stupidest public policy ideas since Federation. Her idea about teacher performance pay was to correlate it with raw scores so that, if you were in an advantaged school, where kids were the easiest to teach, you would earn a fortune and, if you were in a disadvantaged school, you would miss out on the reward. She wanted to create a system which would move the best teachers to the schools where their skills were needed the least—one of the stupidest ideas ever floated in Australian public policy.

These ineffective approaches of the past have been discarded. The decade of talk and inaction is over. The Rudd Labor government is going to act on teacher quality. We are going to get something done. The fact that the Leader of the Opposition and the Deputy Leader of the Opposition got nothing done across six years should tell every Australian that the Liberal Party will never do anything about education that truly matters.

#### **Education**

**Mr ANTHONY SMITH** (2.21 pm)—My question is to the Prime Minister. Prime Minister, given that you pledged before the last election to put a computer on the desk of every upper secondary school student in Australia and now, nine months later—

*Ms Gillard interjecting—*

**The SPEAKER**—Order! The Deputy Prime Minister does not have the call.

**Mr ANTHONY SMITH**—I will start again. My question is to the Prime Minister. Prime Minister, you pledged before the election to put a computer on the desk of every upper secondary school student in Australia and now, nine months on, your Deputy Prime Minister has halved the promise—which she is explaining to you now—making it a computer on every second desk. Presumably, students will share. Why should people believe that you will deliver anything, when you cannot even deliver the first stage of your education revolution without breaking promises and deceiving the Australian people?

**Mr RUDD**—The government welcomes the question. The reason we welcome the question is that it goes to a core element of the fact that we have an agenda for the future of education and those opposite do not. What we said in this place and in the national debate last year, as part of that education revolution that Australia needs to boost long-term productivity growth, to boost the performance of our schools and to provide the kids of working families across the country with an opportunity to get ahead, was to make sure that we had a digital revolution in the classroom.

There are two problems with that. One of the problems is that the nation lacks a high-speed national broadband network. That is problem No. 1. I would have thought that after 12 years those opposite might have lifted their finger on this, but no, not for the likes of them. We had about 16 different broadband policies from those opposite. Not one of them actually contributed to anything much that any of us could measure. That is problem No. 1. Problem No. 2 is that, when it comes to the ability of kids to connect to the digital economy and the digital education

revolution in their classroom, there is an absence of sufficient computers. What we put forward is a practical plan of action on both.

In eight months in office, we have our program advancing for the national broadband network and, as that negotiation continues with the private sector, already we have gone through the first round of the allocation of funding and of the provision of grants to schools for the purchase of computers. I am advised by the Minister for Education and Deputy Prime Minister that already we have provided grants to 896 schools across the country for 116,000 computers. Given that we have, from memory, 2,685 secondary schools in Australia and in our first six months or so in office we have reached an agreement through the good offices of the minister to provide grants to 896 schools for the provision of 116,000 computers, here is my challenge to the shadow minister opposite. I presume that for those schools which might be in or near his electorate he would like to send the cheque back. Is that right?

*Opposition members interjecting—*

**Mr RUDD**—You only have two, so would you like the money to go back? Is the response from the honourable member who is interjecting that he would like the money to go back? Therefore, what I would say—

**Mr Anthony Smith**—Mr Speaker, I raise a point of order. The Prime Minister should clarify whether he is sticking to his pledge to put a computer on every desk, which he is—

**The SPEAKER**—That is not a point of order. The member for Casey will resume his seat. The question that was asked was in order. The Prime Minister is responding to the question. He should be heard in silence.

**Mr RUDD**—I have to say that recently I was in the electorate of the honourable member for Dawson, up in Mackay, in Queensland, and went to a school. From

memory, it was a Christian Brothers school; is that right? The grant was, from memory, one of three grants which had already been provided in that electorate for a couple of non-government schools and a government school. The response from the principals concerned was: 'Thank God we've got some funding support to do this. Thank God we've got it.' I would challenge those opposite—

*Mr Anthony Smith interjecting—*

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

**Mr RUDD**—as they have led so massively with their chins on this question, to go to 896 principals across the country and ask this question: would they like to send the cheque back? Or I would challenge them, in those electorates, to then stand up and say, 'You and this community don't deserve to have this extra funding for computers on the desks of your secondary school students.'

What we have here is a pathetic attempt by those opposite to camouflage one thing: 12 years of inaction and a failure to use the resources which came into the country's economy, into the public coffers of Australia, through the resources boom and to invest that in Australia's long-term education and infrastructure needs. We are proud of our commitment on computers in schools. We are proud of our commitment to bring about a digital revolution in Australia's schools. We are proud of our commitments for a reform program for quality education. We have an agenda for the future. You have an excuse for the past.

**The SPEAKER**—The Prime Minister will direct his remarks through the chair.

#### Brazil

**Ms PARKE** (2.27 pm)—My question is to the Minister for Foreign Affairs. How is the government promoting closer relations between Australia and Brazil?

**Mr STEPHEN SMITH**—I thank the member for Fremantle for that question. The Australian government is very committed to strengthening relations with Brazil. Australia wants to have an enhanced partnership with Brazil. I advise the House that this is also Brazil's view—that Brazil wants to have an enhanced partnership with Australia. Brazil wants to strengthen its bilateral relations with Australia. This is as a result of the visit to Australia this week of External Relations Minister Amorim, and I am very pleased to join with the Speaker to welcome Minister Amorim and the Brazilian Ambassador to Australia, Ambassador de Mello Barreto, to the floor of the chamber.

Minister Amorim has been in Australia for a couple of days. Yesterday he had a very successful meeting with the Minister for Trade, Mr Crean, where the renewed commitment of both Australia and Brazil to breathe life back into the Doha Round was agreed. We very strongly support the measures and the efforts of Brazil to ensure that, before the end of this year, we get a positive outcome from the Doha Round. Last night I hosted for the minister a dinner at which we saw the array of Australian social and economic prowess and we saw the links between Australia and Brazil—academic, scientific and technological, investment and trade, energy, resources and the like. This morning we had a very successful formal bilateral meeting from which the joint communique indicates our joint desire to take our relationship with Brazil to an Enhanced Partnership, and we have charged our respective ambassadors and officials with the job of devising a plan of action across the array of interests between Australia and Brazil.

I think it is true to say that, in recent years, the people-to-people contact and the trade and investment contact between Australia and Brazil have advanced beyond the government-to-government contacts and the na-

tion-to-nation contacts. We see, for example, close contact and cooperation now between our minerals resources industries. Brazil has 12,000 students in Australia—a very significant number. Also, the scientific and technological relationships between our two countries are growing, particularly in agriculture and agricultural related areas. It is time we reflected this with enhanced nation-to-nation and government-to-government relations.

This is the first visit by a Brazilian minister to Australia in the course of this government's term. It is the second visit to Australia of a Brazilian foreign minister, and I am pleased to advise the House that both visits were by Minister Amorim, who came in 1993 and 1994. This is his second stint as foreign minister. In the interim, he came to Australia on a number of occasions as a member of the Canberra Commission. One of the matters we spoke about today was Australia's and Brazil's joint commitment to the non-proliferation treaty and our commitment to disarmament.

It is also the case, regrettably, that a Brazilian President has not visited Australia and an Australian Prime Minister has not visited Brazil. It has been agreed between the Prime Minister and President Lula that this will be rectified. The plan of action to be devised by officials, Minister Amorim and me will be presented to the President of Brazil and the Prime Minister to really take the relationship to an enhanced level.

Brazil and Australia have a lot in common. One thing we have in common is that we are the two largest nation states in the Southern Hemisphere. Brazil is now emerging as a significant economic, strategic and political influence. Brazil, like Australia, is a committed multilateralist, and we value very much the joint approach that Australia and Brazil take to our conduct and our activity in the United Nations. We are both strong sup-

porters of United Nations Security Council reform. We also value very much Brazil's activity in the Doha Round as a strong and active participant in the WTO.

I conclude by making the point that Minister Amorim and I have agreed in principle that, given that Brazil will host the 2014 World Cup, Minister Amorim will see what assistance he can render to Australia in our endeavour to host the 2018 World Cup. I have indicated to the minister that, should Brazil be successful in gaining the 2016 Olympics, we will of course give every advice and support, following our very successful experience from the Sydney Olympics. It has been a very productive visit by Minister Amorim, and we look forward very much to the enhanced partnership between Australia and Brazil.

**Dr NELSON** (Bradfield—Leader of the Opposition) (2.32 pm)—On indulgence, I wish to strongly associate the opposition with the remarks of the Minister for Foreign Affairs in relation to the economic, political and social ties with Brazil and also welcome Minister Amorim to Australia. I also wish to support the foreign minister's remarks about the World Cup.

### Economy

**Mr TURNBULL** (2.33 pm)—My question is addressed to the Prime Minister. I refer to the latest ACNielsen Global Consumer Confidence Index, which found that the collapse in consumer confidence in Australia has been twice as severe as that in the rest of the world. When will the Prime Minister take any responsibility for this dramatic decline in consumer confidence?

**Mr RUDD**—I thank the honourable gentleman for his question. On the question of responsibility for the economy, as I said before in answer to a question from the Leader of the Opposition, as Prime Minister of the country I accept responsibility for good news

and bad news, and I will continue to do that. That is the first point. The second point to address is: what are the contributing factors to the state of the economy in this country and the state of confidence? Firstly, you have the global factors I have referred to on a number of occasions here at the despatch box and the fact that the global financial crisis continues to wash through the global financial system and the real economy. Secondly, here in Australia we have had some other factors, and they are those of a domestic nature—that is, the overhang due to the fact that, at the time we were elected, we had inflation running at 16-year highs. As a result of that, we had 10 interest rate rises in a row—delivering to the people of Australia the second highest interest rates in the developed world. That results in a second, separate Australian factor at work in the overall confidence equation.

Through responsible fiscal policy and through the budget that we announced in May, we have sought to do what we can responsibly through fiscal policy to put downward pressure on inflation and downward pressure on interest rates. Interest rates are a huge factor out there in the real economy and also have an impact on confidence. That is the responsible course of action to address the problem that the previous government left us. The irresponsible response to the problem which the previous government left us is to ignore it and to compound it. That is the strategy that has been recommended by those opposite—in other words, how do you add fuel to the fire? Instead of taking a fiscally conservative position through a robust budget surplus, their response is simply to say, ‘Let’s have a further spending spree.’

On the question of spending sprees, those opposite really should have a long, hard look at themselves. At the time we came into office, government spending was running at between four and five per cent growth on the

part of those opposite. We have reduced that to just on one per cent. In fact, had we run spending—and this is a very interesting figure—at the same growth level that those opposite had it running at for the last several years, it would have cost taxpayers an extra \$23 billion worth of outlays. If we exhibited the same indiscipline on spending that we inherited from those opposite and kept it running into the future—that is, running at four per cent real—it would have equated to a \$23 billion extra bill for taxpayers.

Our response has been through the budget process to instead take a hard look at savings, which is what we did in generating \$33 billion in savings, to ensure that our new spending initiatives of \$24.7 billion were met by savings. I conclude by saying that, when it comes to the challenges which we face for the future—

*Dr Nelson interjecting—*

**Mr RUDD**—The Leader of the Opposition comes in on cue: ‘Tax increases.’ Why is that in terms of tax as a proportion of gross domestic product—

*Opposition members interjecting—*

**Mr RUDD**—What other measure is there, other than tax as a proportion of gross domestic product? It is called the tax intensity of the economy. What we have done is reduce tax to GDP—

*Opposition members interjecting—*

**Mr RUDD**—They really do not like this, do they?

**Ms Gillard**—No.

**Mr RUDD**—Tax to GDP has now been reduced under us to 23.8 per cent of GDP and in the 2007-08 budget to 24.7 per cent of GDP. In 2004-05 it was 24.9 per cent of GDP—quite extraordinary. In fact, had we kept tax as a percentage of GDP at the Liberal Party level, do you know how much more we would have collected in tax? We

would have collected \$30.5 billion. So, had we maintained the spending discipline that we inherited from those opposite, we would have been hitting taxpayers for another \$23 billion worth of outlays. Had we maintained the tax discipline of those opposite—which, frankly, is to tax the billyo out of the community and the business community out there—we would have whacked them with an extra \$30.5 billion in tax. I would suggest that those opposite have a long, close, hard look at themselves in terms of their record.

I would again challenge those opposite as they contemplate their mission of economic vandalism in the Senate to instead join with the government in a strategy of responsible economic management to make sure that we, through fiscal policy, maintain the integrity of the budget surplus in order to provide Australia with a decent economic buffer in the uncertain global economic times which we face.

### Economy

**Mr CHEESEMAN** (2.38 pm)—My question is to the Treasurer. What are the global economic challenges that we face and what is the government doing to strengthen our economy?

**Mr SWAN**—I thank the member for his question. The global economy is in a difficult position. We face some of the most difficult global conditions we have seen in very many years. That is the cold, hard reality, no matter how much those opposite want to deny it. The global credit crunch and the oil price shock in the system have had a dramatic impact on the global economy. Of course, it is slowing growth, it is pushing up borrowing costs for both businesses and households, and it is most certainly impacting upon consumer confidence right around the world. Let us just have a look at some of the outcomes around the world, Mr Speaker. Japan's economy has contracted by 0.6 per cent; Ger-

many's economy has contracted by 0.5 per cent; France's economy has contracted by 0.3 per cent; Italy's economy has contracted by 0.3 per cent; and Canada's economy has contracted by 0.1 per cent in the March quarter.

The good news is that we are in a far better position than all of these countries because our underlying economic fundamentals are strong. There are some things that we cannot control and there are many things that we can control. Of course, what we can control is a disciplined economic policy and we can put together a very strong surplus—a \$22 billion surplus. We can put money into investment funds which can drive the productive capacity of our economy. We can do all of those things. That is why it is so stunning that our surplus should be under attack in the Senate when it is so necessary to put downward pressure on inflation and so necessary to make the necessary investments in education and infrastructure.

This government has an agenda for the future; but of course those opposite have nothing at all, just irresponsible political games. Yesterday in the House there was some confusion in the opposition. We had the Leader of the Opposition in the MPI debate saying that the economy was heading for a hard landing and, of course, we had the Treasury spokesman saying directly the opposite. It is simply extraordinary that the Leader of the Opposition should trash the economy for 15 minutes. And, of course, then we had the Treasury spokesman saying that that is what he should not be doing at all.

What we need from the opposition is some responsibility to pass the budget in the Senate so that we can strengthen our economic foundations. We want some responsibility from the opposition—and we are not getting it.

### Economy

**Mr CHESTER** (2.42 pm)—My question is to the Prime Minister. Following the Prime Minister's admission yesterday that Australians are worse off since the election, why has he done nothing to help pensioners meet the rising costs of groceries, rents and petrol?

**Mr RUDD**—I thank the honourable member for his first question in the parliament and I extend to him respect for having stood in the chamber for the first time to ask a question.

On the question of pensioners, if the honourable member had listened to the remarks that I just made at the National Press Club then he would know that I went through the fact that we have provided through the budget \$7.5 billion worth of additional allocations to pensioners, carers and those on the disability support pension. The way in which that is being delivered in part is through the utilities allowance—which in the past was paid by the previous government and ran, I think, at something in excess of \$100 a year. This is to be increased by a factor of almost \$400 to \$500 a year, and we have made that now for the first time a consistent annual payment. That represents a large slice of the amount which we paid. Furthermore, there was of course the one-off pensioners bonus that has been the subject of considerable discussion in this place—a bonus which was, on a one-off basis, introduced by the previous government for the two previous budgets, as I understand it, but not prior to that and was never announced as a permanent measure.

The other thing that we have done to assist pensioners is to increase the telephone allowance by some 50 per cent, particularly to assist pensioners with the start-up costs associated with getting an internet connection at home—because often what we find in representations we have received around country is that pensioners, often separated from their

kids in this vast country of ours, are looking for a bit of help in getting an internet connection at home, because a lot of correspondence and keeping in touch is conducted that way these days. So that is another practical measure that we have put forward. Also, we have made a separate allocation of funds—from recollection, some \$50 million—to various seniors groups and associations around the country to assist them with providing in-house training opportunities for pensioners to assist them with the use of the internet at home.

These are practical measures which we have sought to help with. But, as I have said at this dispatch box on many occasions, we on this side of the House are fully seized of the fact that pensioners need to have their long-term payments put onto a more secure footing. That is why we have commissioned, through the Henry commission of inquiry, a detailed examination of the future of the tax income support and retirement incomes policy. That is due to report in the case of retirement incomes policy, or the pensions component of it, by February of next year.

Again I would draw the honourable gentleman's attention to the fact that, in the previous 12 years when his own political party were in office, in coalition with the Liberal Party, I do not recall any fundamental, far-reaching reform or examination of the nation's pension scheme. I just don't. I would suggest that those opposite who now stand and seek to preach from a high point on this question take a long, cold, hard look at their record on this question. To assume, as the honourable gentleman has in his question, that cost of living pressures for pensioners have emerged in a matter of the last six to eight months is simply not true. They have certainly spiked in recent times because of factors like petrol and groceries that we have referred to in debates in this chamber, but the increased cost impact on the ability of single

aged pensioners and married couples who are pensioners to survive on the basis of the age pension has been a challenge for a long, long time. Anyone who contributes honestly to this debate and any member in this parliament who has been in contact with their local seniors groups would know this from years gone by.

There is an inherent dishonesty in the proposition being put by those opposite, which is that this situation has mysteriously emerged in the last few months. It has not. It has been an emerging problem for a long, long time. The difference is that we have commissioned a mechanism to examine this from the ground up, and it will report by February next year, which will be within 12 months of us taking office. My question to those opposite is: what did you do in 12 years? I do not remember them doing anything in 12 years. I would say to them: please get your own house in order on this question before seeking to advance a debate like this, and put forward a concrete policy on the future of the pension. I seem to remember a concrete policy being put forward by the opposition on the pension—I think by the relevant shadow minister. It was in a radio interview some months ago. From memory, it lasted about 42 minutes—maybe it was 43 minutes—before being slapped down by the member for Wentworth. If those opposite wish to credibly engage in the debate on pensions, which is a very important debate for those most vulnerable Australians, then I would suggest they get real and put some policy on the table rather than engaging in simply opportunistic politics.

### Budget

**Mr GEORGANAS** (2.47 pm)—My question is to the Minister for Finance and De-regulation. What will be the economic consequences of blocking key budget measures?

**Mr TANNER**—I thank the member for Hindmarsh for his question. The government's budget charts a course for long-term sustainable growth for the Australian economy. We are, as the Treasurer has outlined, working our way through very difficult international circumstances, and we are dealing with mistakes of the past, both domestically and internationally. The government's sights are set very firmly and very clearly on Australia's long-term economic interests. We are absolutely committed to laying the foundations for long-term sustainable growth for Australia's future.

It is unsustainable to run government spending at a rate of five per cent real increase at a time when there is a mining boom and when gross domestic product is growing in the vicinity of four per cent. It is unsustainable to have four budgets in a row with no savings put forward in them. It is unsustainable to waste huge sums of taxpayers' money on politically driven grants programs. It is unsustainable to fail to tackle the major infrastructure problems that the Australian economy is faced with and to fail to take initiatives with respect to our congested cities and our overcrowded hospitals. It is unsustainable to allow our universities and our research institutions to wither on the vine. It is unsustainable to allow Australia to languish at 17th in the world in terms of access to broadband and, most particularly, it is unsustainable to ignore the threat of climate change.

The budget is the first step by the government in dealing with these major long-term challenges facing Australia and moving to a sustainable, long-term growth path. It is a package, because we have to have, as well as the initiatives to deal with these long-term economic challenges, a strong surplus that puts downward pressure on inflation and interest rates. We have to do both in this budget. Unfortunately, the opposition have

chosen to play short-term, populist politics with this package. They are endeavouring to pick the package apart and to blow holes in the government's surplus. This will have the effect of undermining the government's efforts to put downward pressure on interest rates and it will also have the longer term effect of undermining the ability of the government to address these long-term economic challenges facing the Australian nation.

There are a lot of strengths in the Australian economy, as the Treasurer has just indicated—particularly in comparison with many other economies around the world that are suffering from the same adverse international pressures that the Australian economy is suffering from. We are benefiting from a once-in-a-generation resources boom, but there are serious long-term challenges that we have to face in this nation, and that is what the Rudd government's first budget is directed at tackling. Our export performance outside the mining sector has languished for the last seven or eight years. We still have a very high current account deficit. We have levels of skills and education that are below those of comparable countries. We have major cities creaking at the seams due to inadequate infrastructure. We need to further increase our workforce participation rates in order to meet the challenges of the ageing of the population and we need to lift our savings performance. These are all key, long-term things that we have to do to improve the performance of the Australian economy, and it is these objectives to which the settings of the budget for 2008 are directed.

The government is committed to tackling these long-term challenges. I would call on the opposition to abandon its short-term sniping and mindless populist politics and engage in the debate about the long-term future of the Australian economy and the underlying structural factors that will deliver prosperity and security for our children and

their children—because they are the issues that we all in this parliament, on both sides of the chamber, ultimately have responsibility for. They are the things that our budget is directed at addressing. I would urge the opposition to pass the budget and engage in a serious and constructive debate about these fundamentally important issues for the future of Australia.

#### DISTINGUISHED VISITORS

**The SPEAKER**—I inform the House that we have present in the gallery this afternoon members of a parliamentary delegation from France. On behalf of the House, I extend a very warm welcome to our visitors.

**Honourable members**—Hear, hear!

#### QUESTIONS WITHOUT NOTICE

##### Dental Health

**Mrs MAY** (2.52 pm)—My question is addressed to the Minister for Ageing. How are older Australians with chronic dental health problems going to meet the cost of dental care when the Rudd government scraps the Medicare dental scheme?

**Mrs ELLIOT**—I thank the honourable member for her question. Dental care is a major concern, particularly after 12 years of neglect under the previous government. Indeed, it was the Howard government that scrapped the Commonwealth dental scheme, which caused so many difficulties particularly for older people right throughout our community and which has caused so many health problems as well. Dental concerns are not just about poor teeth; they can also lead to future, serious medical problems. It was a major concern that for 12 long years the Howard government neglected that.

The Rudd government are committed to making sure that right throughout this nation there is better access to dental care, firstly through our Teen Dental Plan, but also through our plan to bring back the Com-

monwealth dental plan, which will enable older Australians to have access to a dentist, which they were not able to get for so many years. Many older Australians have told me how desperate they were to have a federal government that listened to their concerns in relation to dental care. We have certainly listened, as is shown through our dental plans for older Australians and also our Teen Dental Plan.

#### Small Business

**Mr RAGUSE** (2.54 pm)—My question is to the Minister for Small Business, Independent Contractors and the Service Economy. What would be the impacts on small business of the Senate failing to pass the government's budget measures?

**Dr EMERSON**—I thank the member for Forde for his question. He is in a neighbouring seat to my seat of Rankin and he has also been a very successful small businessman. As a former successful small businessman, the member for Forde, all members on this side of the House and, I hope, members on the other side of the House, understand that high interest rates are harmful to the prospects of small business.

The economic situation that prevailed at the time of the change of government was essentially this: there was a lot of spending going on in the economy and it was crashing up against capacity constraints—that is, the capacity of the Australian economy to supply that spending. In response to that situation, the Rudd government brought down the May budget, which sought to do this: to ease those capacity constraints by investing in infrastructure and by investing in skills creation, and also to reduce the call on spending. If we can reduce the call on spending, we can reduce the inflationary pressures. A government can do that through a budget by cutting government spending and building a strong surplus.

What did in fact the budget do? It cut government spending from unsustainable growth of five per cent per annum—to be precise, 5.2 per cent per annum—under the previous government to just over one per cent per annum, and it built a very strong surplus of \$22 billion, which is the second biggest surplus in 37 years. The purpose of this is to reduce the pressure on inflation by reducing the call of the government on spending and the capacity of the economy to supply it. That all makes good economic sense and it was necessary because we did inherit, whether the opposition likes it or not, the highest underlying inflation rate in 16 years. The inflation-targeting Reserve Bank was obliged to increase interest rates not once, not twice, but 10 times—10 times—under the coalition government. So concerned was it with the inflationary situation that it had to increase interest rates 10 times.

We are now doing what a smart and responsible government would do, and that is reducing the pressure on government spending and therefore reducing pressure on inflation and pressure on interest rates. But what is the coalition's response? Cheap political opportunism. In the Senate, the coalition is refusing to pass very important parts of this federal budget and in doing so it is jeopardising the prospects of small business, because an inflation-targeting Reserve Bank is going to say in these circumstances that, if there is no reduction in inflationary pressures, it will be in a position where it will not necessarily be able to provide the interest rate relief that the constituents and the small businesses in Forde and all parts of Australia desperately need. Small businesses would be the victims of the political opportunism of the coalition. I note what the shadow small business minister said, and I am afraid I am going to have to read it out. It is very short. He said, 'We certainly won't be doing anything to jeopardise the government's financial position.' You

will not be doing anything to jeopardise the government's financial position? You are blocking key parts of the budget. That statement was made on 19 August. It did not last two days. Most of the commitments of this coalition do not last to the end of the day. The government is acting responsibly; the coalition is acting irresponsibly.

But the damage to small business from the coalition's opportunism does not stop there. Why? Because we heard from the member for Stirling yesterday, who was complaining about the creation of what he calls slush funds through the Council of Australian Governments. The minister for finance and I are co-chairing one of the seven working groups which are dedicated to the task of reducing red tape in 27 different areas of business regulation. What we are seeking to do is to reverse the damage done to small business and other businesses from what the Business Council of Australia has described in a recent report as the 'creeping reregulation of business' which occurred under the coalition, and I quote this: 'an example of how the benefits of past reforms can be quietly eroded over time, over 12 years through the creeping reregulation of Australian business.' The Prime Minister and the Rudd government have embarked on an ambitious program of reducing business regulation in 27 areas, and what is it described as? A slush fund. We are trying to create a seamless national economy—an open, competitive economy. You are supposed to be the Liberal Party in support of free enterprise, in support of openness and competition. You criticise our budget, you try to block key elements of the budget and you describe the COAG business regulation reform process as the creation of a slush fund. The coalition is engaging in rank political opportunism, while the Rudd Labor government are creating a strong economy for the future of all busi-

nesses in Australia, including the 1.9 million small businesses we are proud to represent.

**The SPEAKER**—Before giving the Deputy Leader of the Opposition the call, I remind the minister—this is, amazingly, prompted by the member for O'Connor, because the member for O'Connor knew that some of the remarks were giving me difficulty—that he should address his remarks through the chair.

### Employment

**Ms JULIE BISHOP** (3.01 pm)—My question is to the Minister for Employment and Workplace Relations. How many Australians does the government forecast will lose their jobs over the next 12 months?

**Mr Melham**—Brendan Nelson!

**The SPEAKER**—The member for Banks is incorrigible, but, unfortunately, had timing. But he will not do that again.

**Ms GILLARD**—As the Deputy Leader of the Opposition would be aware, the parameters in the budget papers show a slight upward movement in the unemployment rate. During this year the RBA also projected a slight softening of the labour market. Having said that, the Deputy Leader of the Opposition would also be aware that the last set of employment numbers received was actually strong, went above market expectations and in particular showed more growth in full-time jobs than people were expecting. We understand, of course, that there are some pockets of companies with particular redundancy problems and lay-offs.

*Dr Nelson interjecting—*

**Ms GILLARD**—I thank the Leader of the Opposition for his assistance, and I understand that each and every unemployed Australian is a person and they deserve our compassion and support and, most particularly, an employment services system that works to meet their needs. One of the reforms that this

government is engaging in is to ensure, on the next major tender of the Job Network, which happens on 1 July next year, that they get a better employment services system to meet their needs. I am of course acutely aware that when companies announce redundancy programs—and they happen for all sorts of reasons—that causes human suffering. As the Deputy Leader of the Opposition and the Leader of the Opposition would be aware, in those circumstances the federal government has a number of programs, including programs to assist with entitlements.

**Mr Hockey**—Mr Speaker, I rise on a point of order. The question was very specific about the government's forecast for the number of job losses over the next 12 months.

**The SPEAKER**—The minister is aware of the question and the minister will respond to the question.

*Dr Nelson interjecting*—

**The SPEAKER**—Order! The Deputy Prime Minister has the call. The Leader of the Opposition is not assisting.

**Ms GILLARD**—Can I conclude where I started. The budget papers do show a slight upwards revision in the unemployment rate before—

*Ms Julie Bishop interjecting*—

**Ms GILLARD**—I know the budget papers are not the Deputy Leader of the Opposition's favourite topic, because she is on a strategy with her colleagues to punch a hole in those budget papers in an act of economic irresponsibility. But, in terms of answering the question, the budget forecasts are for a revision to 4¾ per cent in the unemployment rate.

*Dr Nelson interjecting*—

**The SPEAKER**—Order! The Leader of the Opposition!

**Ms GILLARD**—The RBA has also talked about the unemployment rate. Having said that, I note the last employment numbers were strong and above market forecasts. When individual companies announce redundancies and lay-offs, of course the government monitor that. We respond with employment services that make a difference. We have the GEER Scheme to make a difference in circumstances of unpaid entitlements.

**Dr Nelson**—It's too many!

**The SPEAKER**—Order! The Leader of the Opposition!

*Dr Nelson interjecting*—

**The SPEAKER**—Order! The Leader of the Opposition is warned!

*Mr Laming interjecting*—

**The SPEAKER**—Order! The member for Bowman is warned! Not wishing to start another chapter of *House of Representatives Practice*, may the record show that I did not ask the member for Bowman to leave for one hour. The House will come to order. The member for Page has the call.

#### Battle of Long Tan Veterans

**Ms SAFFIN** (3.07 pm)—My question is to the Minister for Veterans' Affairs. What has the government done to address the lack of recognition for Battle of Long Tan veterans?

**Mr GRIFFIN**—I thank the honourable member for her question. When we look back to last week, to Vietnam Veterans Day on 18 August, I think I can say on behalf of the entire House that it is a time to commemorate the courage and sacrifice of the many Australians who fought in that war so long ago. As the House would be aware, some 60,000 Australians were part of the in-country and logistical support that was provided through that longest of conflicts that Australia has been involved in. Some 520

Australians paid the ultimate sacrifice, and some 2,400 were wounded.

Of course, this occasion is also the 42nd anniversary of the Battle of Long Tan. Although it is the Battle of Long Tan that we commemorate on this day, we also commemorate the sacrifice of all Vietnam veterans. We also commemorate Coral and Bal-moral, Binh Bah and the range of other engagements that occurred and remember the sacrifice of all involved. But on this occasion, the 42nd anniversary of the Battle of Long Tan, we also address an issue that has been a matter of some concern to veterans of Long Tan for many, many years. The Battle of Long Tan was a savage engagement—it involved helicopters, artillery and infantry. At the end of the day, a number of recommendations were made and a number of awards were given. But the fact of the matter is that changes were also made around the recommendations that were made at the time. This has been a matter of concern to those involved for quite a long period of time. It has been an issue which, it is fair to say, has dogged veterans' affairs ministers over the years because of the very stoic, determined actions of the commander at that battle, then Major Harry Smith, who believed that a wrong had been done and who was determined to see that it was righted. I would have to say, if I were ever in a situation where I needed someone to stick by me in a fight, Harry Smith is exactly the guy that I would want. There is no doubt that he would do the job, as he did back at that time.

I will not go into the issues of what occurred at the time, or what has occurred since, other than to say that the inquiry that took place was necessary—and it was long overdue. One of the last acts of the previous government was to commence that inquiry, and I congratulate them on that, although I have to say—and I have been on the record as saying it for a long time now—it should

have happened a lot earlier. Part of the pressure from this side of the House that occurred with respect to the need for an independent inquiry came from members such as the former member for Cowan, Graham Edwards, the member for Brisbane, Arch Bevis, and the member for Ballarat, Catherine King. I was very pleased to make that part of a push in our policy in the lead-up to the election.

That independent inquiry came down with a series of recommendations, and the government endorsed the key recommendations. Others we referred to the independent tribunal which has recently been set up under the auspices of the member for Eden-Monaro, the Parliamentary Secretary for Defence Support. The key recommendations that have been acted upon at this time, and the key actions being taken by the government, relate to the upgrading—in modern terms—of the medallic recognition of the leader of that battle, then Major Harry Smith, to the Star of Gallantry—one level below a VC but a very significant award—and of two of his platoon commanders, Dave Sabben and Geoff Kendall, to the Medal of Gallantry. I put on the record my congratulations for the long-overdue recognition of these men. I would also like to make it clear—something that I have to say about Harry Smith—that Harry said to me on many occasions that these issues were not about these men as individuals but about the recognition of the gallantry of their men. These medallic recognitions are awarded on the basis of their leadership and the gallantry of their men. That is what they did so long ago, and that is what they see this as being in recognition of today.

In addition, the government took the decision that the unit citation, which we believe was granted at the time by the South Vietnamese government, should be allowed to be worn now. It is an extension of what the previous government did around some of the

medals in that area some years ago. I believe it is a logical conclusion to what occurred, and I think it also gives very appropriate recognition of the circumstances of all in D Company at that time. I am sure I join with the House in congratulating those involved by saying that we honour their courage and sacrifice at this time. I see this very much as being recognition of the entire effort of the Australians who fought, died or were wounded in the Vietnam War. We should take this time to remember them in this House.

**Honourable members**—Hear, hear!

**Mrs BRONWYN BISHOP** (Mackellar) (3.12 pm)—Mr Speaker, I ask for a brief indulgence. I would like to associate the opposition with the remarks of the Minister for Veterans' Affairs on the action that has been taken. It has been most appropriate in the long-overdue recognition of the gallantry done.

### Employment

**Ms JULIE BISHOP** (3.13 pm)—My question is to the Minister for Employment. Since the budget was handed down, over 30,000 job losses have been announced. I ask again how many more Australians the government forecasts will lose their jobs over the next 12 months.

**Ms GILLARD**—I thank the Deputy Leader of the Opposition for her question, and I will explain the matter again.

*Opposition members interjecting—*

**Ms GILLARD**—I am glad you have read the budget, because that is reassuring me a little bit, as you go around punching a hole in its surplus. The forecast in the budget papers is for a revision upwards in the unemployment rate to 4.75 per cent. The Deputy Leader of the Opposition may also be aware that in its latest statement on monetary policy the RBA stated—and this is actually the em-

ployment growth figure—that annual employment growth is forecast to average three-quarters of a per cent over the next year before gradually picking up. They are the forecasts in the budget papers, and they are the reflections of the RBA on the question of what is going to happen with employment growth.

As I indicated to the Leader of the Opposition—admittedly in response to an interjection from the Leader of the Opposition—we are of course concerned about the circumstance of every person who loses a job. In order to respond to the circumstance of Australians who lose a job when there is a company that announces that there will be a retrenchment of a number of workers, there is of course an immediate response in terms of employment assistance and the like. There is, from time to time, a need to access the GEER Scheme if people are not going to receive their full entitlements. The question of redundancy entitlements is very important to this government; that is why we are seeking to protect them through our fair and balanced industrial relations system, because they were not protected under Work Choices. Of course the government is also strengthening our employment services through the redesign and retendering of the Job Network.

### Drug Trafficking

**Mr SULLIVAN** (3.15 pm)—My question is to the Minister for Home Affairs. What is the latest information regarding law enforcement success in combating drug trafficking?

**Mr DEBUS**—I thank the honourable member for Longman for that question and acknowledge that he has indeed, for many years now, taken a special interest in the problem of drug abuse. I believe he and his wife, Karen, have for 14 years been engaged in that kind of education in the schools of the honourable member's electorate.

On the very eve of the opening ceremony of the Beijing Olympic Games, the Australian Federal Police and Customs held a press conference to announce the result of an intense 12-month investigation that they called Operation Inca, which led to the world's largest ever ecstasy bust. It was a gold medal result. The statistics are quite hard to comprehend. Hidden in 3,000 tins of tomatoes were 4.4 tonnes of ecstasy tablets, 15 million tablets, worth \$440 million. For good measure, there were also 150 kilograms of cocaine hidden with bags of coffee beans. That is an amazing, indeed world-class, result for our law enforcement agencies, and therefore for the Australian community.

It began as a snippet of information received 12 months ago by the Victoria Police, who passed it on to Australian Customs. Customs narrowed down shipments, which were coming from Italy, to 800 shipping containers and then made an initial detection. That of itself was a most significant technical achievement, but, building on that very good work, a tactical decision was made by the agencies not to make that discovery public. Instead, our agencies decided to conduct further investigations and began working with law enforcement partners in Europe. It turned out to be a very wise decision because it led to the dismantling of a large global criminal syndicate. Not that it was an easy matter; 400 AFP officers took part at various times in the operation. It involved 185,000 telephone intercepts and 10,000 hours of surveillance. On the day of the operation, officers arrested 20 people across Australia in four states, some of them, the House will recall, with a very high profile indeed, and a total of 25 people have now been charged. In addition, there was a coordinated operation in Europe with warrants executed in Belgium, the Netherlands and Italy.

As Commissioner Keelty indicated at the time, the minds of investigators were seized

by the knowledge that the syndicate could continue to operate for a year after importing 4.4 tonnes of narcotics and losing them. Only a major global syndicate has the resources to write off a loss like that. The commissioner made the sobering observation that it is the premium price that young people in Australia are prepared to pay for ecstasy that is driving up demand. He said:

If you think it through there are not many boardrooms in Australia where you would write off half a billion dollars worth of a commodity and continue your business.

...     ...     ...

What we have to do is reach out to the youth of this country and reduce demand.

In the last six weeks alone—in other words, in the period in significant part after the dramatic detections that I have been speaking of—law enforcement in Australia has been at its most effective in dealing with the threat of drugs. It has made seizures of more than 8.5 tonnes of illicit drugs.

Detections that substantial do not happen by chance, and they are a demonstration of the targeting and detection capabilities of Customs combined with the exceptional intelligence and investigation capabilities of the AFP, state police and the Crime Commission and, not least, the anti-money-laundering agency, AUSTRAC, together with all of the international partners of those organisations. Our agencies are not only protecting the community—I might say it is estimated that the Melbourne seizure prevented \$2 billion worth of harm in our community when you take into account the health effects and so on. Of course our agencies are, at the same time, making Australia a hostile environment to drug dealers. The United Nations Office on Drugs and Crime, in its 2008 *World drug report* released in June, concluded that general drug use in Australia fell over the last year, as did the trafficking of heroin, morphine, cannabis and ecstasy to

Australia. The Australian authorities—the AFP, Customs and the others—will continue to cooperate and share investigations and information with their international networks to good end, and we congratulate all who have been concerned in these recent successful operations on their professionalism.

#### Fuel Prices

**Mr HAASE** (3.21 pm)—My question is addressed to the Treasurer. I refer the Treasurer to his claim that the government's discredited Fuelwatch stunt will save motorists \$10 on a tank of petrol. Will the Treasurer inform the House where he got this figure from?

**Mr SWAN**—I welcome the question because Fuelwatch is a very important means by which we can empower consumers to get a better deal at the petrol bowser, as indeed they have been getting in Western Australia for a long time. As I understand it, today in metropolitan Sydney the difference between the minimum and maximum rate being charged at the bowser is something like 27c a litre, so you can easily save \$10 a tank.

#### Climate Change

**Ms BURKE** (3.23 pm)—My question is to the Minister for the Environment, Heritage and the Arts. What action is the government taking to enhance energy efficiency?

**Mr GARRETT**—I thank the member for Chisholm for her question. Energy efficiency is a key plank in the government's comprehensive approach to tackling dangerous climate change following 12 years of neglect by the Liberal-National Party coalition in seriously addressing this issue at all. The carbon pollution reduction scheme is the centrepiece of the government's approach, but it must be complemented by measures which remove obstacles to the uptake of energy efficiency, particularly through the early years of adjustment. Up until now, energy efficiency, sometimes called the 'low-

hanging fruit', has been fragmented and un-coordinated at the national level, a legacy of the failure of those opposite to address this issue. International Energy Agency indicators show that Australia's improvements in energy efficiency between 1990 and 2005 lagged well behind other OECD countries. It is a test of any government to see whether they take up the opportunities to pick that low-hanging fruit, but for 12 years we saw nothing.

Importantly, action on energy efficiency lowers the cost of reducing carbon pollution and has additional benefits for energy security for business and also for cost-of-living pressures. The government's green paper provides a commitment to assist Australian households to take practical action on reducing their energy use, saving on energy bills and making a fair dinkum contribution to tackling climate change. I have been undertaking a series of roundtables with the community, NGOs, business groups and industry on practical action and solutions for households. The messages coming through loud and clear are that there are plenty of solutions around. We are listening to those messages and they will inform the household assistance measures the government will detail as we move towards a carbon pollution reduction scheme white paper.

This government is already helping households make smarter choices on energy-efficient products such as televisions. We are raising the profile of renewable energy with some 1,600 schools around Australia already having registered to become solar schools. In the first year of the Rudd Labor government there will be more Commonwealth funding for solar power and more solar installations than in any year in Australia's history. I have got to say that the opposition has been completely caught out and exposed on this issue—and it has been confronted with the facts. When you get past all the stunts from

the opposition, from the member for Flinders, here are the facts. On 21 May the member for Flinders said in relation to solar panels:

... few people, if any, are signing on to new solar panel contracts.

The fact is that, in that same week, we received 445 applications, the third highest number in the program's history. On 16 June the Leader of the Opposition said:

There are few new customers signing up for solar panels.

That was the week when we received 565 applications, another new record for applications for solar panels. And so it goes on. The fact is that, when it comes to climate change and those important issues that attach to it, the opposition never paid much attention. In fact, they spent 12 years ignoring climate change—and we know that they are still ignoring the evidence. I noticed that an anonymous coalition MP was quoted in the *Sydney Morning Herald* as saying:

... 70 per cent either does not believe in climate change or is plain sceptical.

Seventy per cent of opposition members is a high figure, but I guess it explains why they have had some 15 different positions on the carbon pollution reduction scheme. That opposition MP went on to say at the time of the backflip on emissions last year:

We were staring at an electoral abyss. We had to pretend we cared.

Professor Garnaut has introduced us to the 'prisoner's dilemma' in relation to climate change, but I think it is time we introduced the Australian public to the coalition's dilemma on climate change: they are still sceptical and now they have to pretend they care. I do not know who that anonymous MP was. Was it the member for Wentworth? Was it the member for Flinders? Was it the Leader of the Opposition? Was it Senator Minchin? I suppose we could ask them. But, if we asked

them, we would get four different answers—and two of them would involve nuclear. At the end of the day, pretending to care is not a sufficient basis for constructing real policy on dealing with climate change because the Australian community does care and the Rudd Labor government will deliver climate change solutions to them.

#### Australia 2020 Summit

**Mr BALDWIN** (3.28 pm)—My question is to the Prime Minister. Will the Prime Minister advise the House of the exact date on which he became aware that his office had recommended to the Department of the Prime Minister and Cabinet that a media management contract for the 2020 Summit be awarded to CMAX, a company owned by the Minister for Defence's media adviser?

**Mr RUDD**—My department has given evidence on this matter at Senate estimates. Subsequent to that, Senator Ronaldson wrote to the Auditor-General and asked for an investigation. The Auditor-General is having a performance audit at the moment. That is underway and I do not propose to comment further.

#### Georgia

**Ms REA** (3.29 pm)—My question is to the Minister for Foreign Affairs. Minister, how is Australia responding to events in Georgia and what are the implications of the conflict for Russia's standing in world affairs?

**Mr STEPHEN SMITH**—I thank the member for her question. Members would be aware that overnight the Russian President, President Medvedev, indicated that the Russian Federation had recognised the independence of South Ossetia and Abkhazia, often known as the separatist region of Georgia. Australia does not support such recognition. That is Australia's longstanding position. Australia recognises the territorial sovereignty of Georgia over the provinces of

South Ossetia and Abkhazia. The declaration by the Russian Federation is not a helpful contribution to tensions in that area of the world and not a helpful contribution to international relations. Indeed, some might say that such a declaration was provocative. It does not help the standing of the Russian Federation. In the Australian government's view, it diminishes and lowers its standing.

Members would recall that earlier this month, following the incursion of Georgian forces into South Ossetia, the Russian Federation deployed a large-scale military offensive in Georgia, not restricted to South Ossetia. That large-scale military offensive implemented and effected large-scale devastation upon parts of Georgia, including military and economic points. We saw, regrettably, civilian casualties and a large number of displaced persons, as a consequence of which the Australian government announced humanitarian assistance of a million dollars through relevant international agencies.

The actions of the Russian Federation in this respect were clearly disproportionate. We welcomed very much the efforts of President Sarkozy, the President of France, in his position as European Union chair, and the Finnish Foreign Minister, my counterpart from Finland, in his position as chair of the Organisation for Security and Cooperation in Europe, in effecting a ceasefire agreement between Georgia and the Russian Federation. Regrettably, Russia has not abided by that ceasefire and, as we have done publicly and through officials in both Canberra and Moscow, we again call upon the Russian Federation to return its troops to the positions they occupied prior to the commencement of hostilities on 6 and 7 August.

The Russian Federation is a significant and influential player in world affairs. It is essential that it engages in dialogue and peaceful conduct. We urge the Russian Fed-

eration to abide by the ceasefire brokered by President Sarkozy and return its forces to those positions, and to engage fully in international affairs through the relevant regional multilateral forums—through discussion, not through the disproportionate use of military force of arms.

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

#### QUESTIONS TO THE SPEAKER

##### Questions in Writing

**Dr SOUTHCOTT** (3.33 pm)—Mr Speaker, under standing order 105(b), could you write to the Minister for Employment Participation and ask him to respond to the following questions in writing, which have not been answered within 60 days: Nos 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 199, 200, 201, 202. Could you also write to the Minister for Infrastructure, Transport, Regional Development and Local Government and ask him to respond to questions Nos 172 and 204. Could you also write to the Minister for Education about question in writing No. 193 and, in her capacity as Minister for Employment and Workplace Relations, question No. 203.

**The SPEAKER**—I will take action as required under standing order 105(b).

##### Questions in Writing

**Mr PEARCE** (3.34 pm)—Mr Speaker, could I also seek your assistance under standing order 105(b). Could you please write to the Treasurer and ask him to respond to question in writing No. 7. It is now over five months since I asked that question. There are also question No. 14 to the Minister for Families, Housing, Community Services and Indigenous Affairs and a question to the Prime Minister, which is now over three months old, question No. 90.

**The SPEAKER**—I will take action as required under standing order 105(b).

## DOCUMENTS

**Mr ALBANESE** (Grayndler—Leader of the House) (3.35 pm)—Documents are presented as listed in the schedule circulated to honourable members. Details of the documents will be recorded in the *Votes and Proceedings*.

## MINISTERIAL STATEMENTS

### Nursing Homes

**Mrs ELLIOT** (Richmond—Minister for Ageing) (3.35 pm)—by leave—The Rudd government is committed to tackling the challenges of the 21st century. And one of those major challenges is our ageing population. Australians have the second longest life expectancy in the world, at 81.4 years, after the Japanese. In addition, women on Queensland's Sunshine Coast and in Western Australia's wheat belt have among the longest life expectancies in the world. By mid-century most Australians can expect, on average, to reach the mid- to late 80s. Currently, there are 2,800 Australians aged 100 years or over, and that is expected to grow to 78,000 by 2055.

An ageing population and record life expectancy are to be celebrated. The previous government neglected older Australians; we plan to change that. That is why, over the next four years, we are investing a record \$40 billion into aged and community care; of that, \$28.6 billion on nursing homes alone. In 2008-09, \$2.2 billion will be spent on community care programs to help people remain independent and in their homes.

Last year nearly 56,000 people received help at home through community care packages. The 56,000 community care packages complement the nearly 170,000 residential aged-care beds supported by the federal government. Meals on Wheels—an example of state and federal governments working together—is one of the many initiatives to help people remain within their homes.

Some 80,000 volunteers and workers deliver about 15 million meals a year from 750 kitchens to the frail, the aged and people with disabilities right across Australia. Indeed, today is National Meals on Wheels Day. I was very pleased to deliver a meal to John and Ruth Perryman right here in the ACT. They are both 85 years of age. Later on today, I look forward to launching the Meals on Wheels Parliamentary Friends Group. It will be chaired by the member for Hindmarsh and the member for Parkes. I commend them on their initiative.

In Australia there are almost 3,000 nursing homes. They are world-class services with thousands of hardworking, dedicated staff. Of those nursing homes, only nine of them are under sanction. Three of those nine were identified through the Aged Care Standards and Accreditation Agency's unannounced visits program. The record 3,000 unannounced visits began on 1 July. We make no apologies for protecting our nation's frail and aged. Indeed, unannounced visits are commonplace in Australia. For example, last year ACT Health alone conducted 1,984 food business inspections and 225 cooling tower inspections in Canberra. I can tell you, as a former police officer, I certainly know the element of surprise was a major factor in effective investigations.

Also, in the commercial area, McDonalds has a strict regime of testing, unannounced visits and so-called 'mystery shoppers'. They evaluate cleanliness, quality and service. Unannounced visits are even more important in aged care where frail, elderly residents are cared for 24 hours a day and are often unable to speak out if they have concerns about their care. Unannounced visits give an accurate picture of a facility's day-to-day operation.

From 1 July to 14 August, the accreditation agency and the Department of Health and Ageing have conducted 501 and 178

unannounced visits respectively. In the case of a nursing home where serious risk has been identified, the accreditation agency visits daily until the serious risk has been removed. The Department of Health and Ageing will also send Commonwealth nursing officers to monitor the quality of care being given to residents.

The accreditation agency has a set of at-risk factors to identify nursing homes for further unannounced visits. They include:

- existing non-compliance problems in any of the areas of the 44 standards, including nutrition and hydration;
- the number of complaints against a facility;
- the known financial difficulties or business restructuring;
- a change of approved provider;
- major changes in key personnel and senior staff;
- ambitious building programs; and
- a sudden change in resident population and mix of residents.

The accreditation agency will undertake a program of unannounced visits across entire groups of homes where they need to determine if problems are localised and site specific or systemic across the group. This recently occurred with the Japara Group after the Kirralee facility in East Ballarat was identified in an unannounced visit. At Kirralee, the accreditation agency assessors identified five areas of serious risk, including nutrition and hydration. The Department of Health and Ageing advised that the measures were 'among the strongest ever taken against a care provider' by this government.

After the agency found significant non-compliance at Kirralee, it conducted a program of unannounced visits to all other homes in the 32-member group. As a result,

the agency uncovered significant concerns in relation to another home in the group—Brighton Aged Care in Adelaide. On Monday night, 25 August, the agency acted. The agency reduced the accreditation period of Brighton Aged Care in Adelaide as an outcome of a review audit conducted in early August.

The accreditation agency has formally identified 17 areas of noncompliance out of 44 accreditation outcomes arising from the review audit. This, indeed, is a staggering figure. Previously, on 15 August, the department issued a notice setting out the actions that the home must take to address the original 14 areas of noncompliance and the timeline in which this must be done. The department will now consider whether additional compliance action is required given the agency's decision of 25 August.

These unannounced visits are all about the health, safety and wellbeing of residents, and I make no apologies for these tough measures. I also urge the opposition to give their bipartisan support to unannounced visits. I am confident that the aged-care industry and the many older Australians it serves will see the longer-term benefits of a more transparent and accountable aged-care industry. I will continue to work in partnership with older Australians, aged-care providers, unions and consumer groups to improve the quality in residential aged care and ensure the long-term viability of the sector.

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

Leave granted.

**Mrs ELLIOT**—I move:

That so much of the standing orders be suspended as would prevent Mrs May speaking for a period not exceeding seven minutes.

Question agreed to.

**Mrs MAY** (McPherson) (3.43 pm)—Unfortunately, there is nothing in what the Minister for Ageing has put on the record today that she has not said on previous occasions. In fact, the content of the ministerial statement today condemns the minister. There appears to be a belief in her office that generating a flurry of media releases and ministerial statements that say nothing new will fix the aged-care system. It is a dangerous approach because the aged-care system is at crisis point.

Today the minister has talked about unannounced visits to aged-care facilities, but let us set the record straight. Unannounced visits were initiated under the Howard government, along with a number of other initiatives, such as accreditation and certification, to ensure that Australia had a world-class aged-care system. That system is being eroded because of the performance of the Rudd government and the minister. The minister continuously attacks the industry at every opportunity and overlooks the fact that it is her approach, her penchant for announcing reviews and her inaction, that is doing serious damage to older Australians.

I remind the minister that people in the aged-care industry, the dedicated workers and care providers, have the welfare of residents as a priority; otherwise, they would not be in the business. A large percentage of providers are charities whose vision is to provide a strong, sustainable aged and community care industry providing people with high-quality, accessible services that meet their needs. Yet the minister undermines them and aged care workers at every opportunity.

This ministerial statement is a typical example of the Rudd government. It is an empty ministerial statement. It contains nothing new. As mentioned previously, unannounced visits were initiated by the Howard

government. In March of this year the minister said she was going to increase the number of visits from 4,000 to 7,000 visits. But that is where the minister is misleading. The 7,000 visits are a combination of announced and unannounced visits, so it is not an increase of 3,000 unannounced visits. When the department was asked in Senate estimates whether more staff would be employed to undertake the increased visits, the reply that came back was that no extra staff would be put on to undertake the increased number of visits. I ask the minister to explain how the number of visits can almost double and yet the staff members stay the same. Is this part of the new productivity push or a push to burn workers out? It just does not add up.

I believe the media releases that the minister puts out are an attempt to disguise numerous failings and are a reflection of the chaotic way the Rudd government is running the country. The sooner it sinks in that our ageing population is the biggest social challenge that Australia and the world faces, the better. The sooner people grasp the enormity of the challenges we face, the better, because I think people will live their own lives in a more sustainable way.

The Governor-General said at his farewell dinner last night that his vision for Australia is for a caring Australia—first and foremost taking care of one's health and wellbeing and caring for others. We all need to take better care of ourselves because, with demographic change, increased life expectancy, declining fertility rates and such things as costly technological advances and a reduced workforce, living standards will fall quite dramatically and Australians are not prepared for that. The aged-care system is unravelling, and this slow disintegration will gain momentum as pressure on the system increases. We are hearing more and more about long waiting lists, difficulties in facilities finding staff,

underfunding and undersubscription of places.

The minister says the Rudd government is committed to tackling the challenges of the 21st century and goes on about 12 years of Howard government neglect. I have got news for the minister: constantly repeating something does not make it true. The Howard government did not neglect aged care; we gave priority to the care of older Australians. It does not seem to have registered that it is now up to the Rudd government to meet the challenges of our ageing population. Excuse after excuse, press release after press release, while the system is falling down, does not cut it and will not address the issues facing the aged-care sector in the 21st century.

Aged care is at a crisis point. I use those extreme words with caution, but it is at crisis point. Over 40 per cent of our providers are operating in the red. For the first time beds have been undersubscribed in Tasmania and Western Australia. Beds are being closed down, and decisions are being made at a board level not to make application for beds. Waiting lists are getting longer, more and more compliance is being heaped on providers, and the system is buckling under the strain. How can older Australians receive the care they deserve if facilities are understaffed and underfunded? It is about time the Rudd government woke up to the seriousness of the situation and started governing in the best interests of all Australians, including older Australians, not just working families—whatever that means. Going by what comes out of the minister's office, I suspect her office reflects the dysfunction of the Prime Minister's office, and this dysfunction is affecting the welfare of older Australians.

We are already in August, and the 2008 aged-care assessment round has not even commenced. The process is usually well under way by now. But the minister has

dragged her feet, leaving thousands of Australians waiting for beds either in their home or in a hospital. One night in a hospital bed costs \$1,117, compared to \$100 in an aged-care facility.

In closing, the welfare of older Australians is paramount. I applaud any initiative that protects older Australians. I detest, though, empty statements that have no relevance and do nothing to meet the challenges of our ageing population. There are no two ways about it; the ageing of our population is the biggest social challenge that Australia has ahead of it. We must address those challenges; otherwise the wellbeing of older Australians is at serious risk.

## MATTERS OF PUBLIC IMPORTANCE

### Economy

**The DEPUTY SPEAKER (Ms AE Burke)**—Mr Speaker has received letters from the honourable member for Wide Bay and the honourable member for Kennedy proposing that definite matters of public importance be submitted to the House for discussion today. As required by standing order 46(d) I have selected the matter which, in my opinion, is the most urgent and important; that is, that proposed by the honourable member for member for Wide Bay, namely:

The failure of the Government to take responsibility for the economy and to take action to help Australians who are worse off under its administration

I therefore call upon those members who approve of that proposed discussion to rise in their places.

*More than the number of members required by the standing orders having risen in their places—*

**Mr TRUSS** (Wide Bay—Leader of the Nationals) (3.50 pm)—I thank you, Madam Deputy Speaker, for your choice of matters of public importance today. This is a matter of grave importance to Australia. As recently

as last November, nine months ago, Australia's economy was in very good shape. It was strong and vibrant and offered opportunity and prosperity. Our economy was—if I may dare say so—in ruddy good health. I am sorry to report to the House that most Australians now believe that their own personal finances and their country are in ruddy ill-health.

We have had a remarkable turnaround in just nine months. Kevin Rudd, the Prime Minister, said today in question time that he would never say that working families have never been better off. Well, the Prime Minister cannot say that, because it is not true. Families are not better off; they are much worse off since the election of this government. We have a government that allegedly had a new economic approach, but it has been a triumph of vacant symbolism and short-term stunts—an absolute blizzard of process, reviews and heavily promoted but always empty-headed speeches.

How many more revolutions are we going to have? How many more partnerships? How many more grand plans for the Asia-Pacific or intergalactic visions for the stratosphere? How many more five-point plans or 10-point plans? Today we are down to only a three-point plan or a three-pillar approach. These sorts of empty words, empty symbols, do nothing. They achieve nothing, and the Australian people are driven to despair.

You do not have to take my word for it. The Galaxy poll of Sydney families taken last week showed that 80 per cent of them believe that their personal finances have gone backwards since last November—80 per cent are worse off than they were when Labor was elected. That poll also found that 56 per cent of Sydney families are less confident than they were nine months ago. You heard also in question time today that Australians' decline in confidence is running at

double the rate of the rest of the world. This country is going backwards at double the rate of the rest of the world.

While the Prime Minister tours the world, the people at home are struggling. The working families are not working, and the great Australian economy, which was able to withstand the Asian financial crisis, the US recession, September 11, bird flu and a host of other issues, is in serious decline. Thirty thousand jobs have been lost since the last budget; 630 more today. How many more people, how many more families, have to lose their jobs before this government starts to take some notice?

That serious lack of consumer confidence is fed primarily by the inane talking down of the economy by the Treasurer and the growing realisation that the Treasurer and his colleagues do not have the competence to manage our economy. This downward spiral over just nine months demonstrates monumental incompetence. There is an old saying: 'Give Labor something in good working order and it will soon be broke.' The record of the state Labor governments around the nation of wrecking successful economies is now being repeated at the national level. Labor have learned from what they have done at the state level and they are delivering the same results federally, inheriting a strong economy and pushing it into decline. Today there was the *Sunrise* poll, which found that almost 90 per cent of people believe they are worse off since last November. Of course, the Prime Minister himself admitted as much in question time yesterday. The people of Australia have suffered under this government for nine long, long, long, painful months.

Who is to blame for all this trouble? Who is to blame for all the problems that our country is facing? The Prime Minister chooses always to play the blame game. Today in question time he said, as he has said

on so many other occasions and said again in his speech to the Press Club today, that there are two factors: the global economic situation and the economy he inherited. Today, after constant pressure, he did acknowledge that he would take responsibility for everything that happens in the economy, particularly the good news, but then he immediately went on in his answer to once again blame the opposition, blame the other side.

There are some very good statistics around for the government that was going to end the blame game. In the first 550 questions without notice that have been directed to the new government since its election, the government ministers have blamed the opposition, the coalition in government, in 77 per cent of their responses. Seventy-seven per cent of the time, in 550 questions, they have blamed the coalition. They have blamed the former government for what is happening. When it comes to their own Dorothy Dix questions, the ones asked by their own members, which they have had plenty of time to prepare for, the figure goes up to 81 per cent. So, 81 per cent of the time, the party that were going to end the blame game have blamed the previous government for the problems that they are creating today.

The Prime Minister says he is governing for the long term, so we should overlook all of these short-term job losses. We should overlook this plunging consumer confidence and think only of what might be achieved in the longer term. If that is the case, I wonder why he scheduled his urgent National Press Club address today, which was billed this morning by the media as 'Rudd to reveal Labor's grand vision for the future of the nation'. This is what the National Press Club speech was about today: the grand vision for the future of the nation. After nine months of failure, at last we were going to get the grand vision. And again he said in his speech, 'We're going to end the blame game.' But

question time today was back on the same theme: 'It's all the opposition's fault. It's all the previous government's fault.'

The reality is that he built his speech up but there was nothing there—a three-point plan which was an announcement of the previous coalition government's policies. There was nothing new, like all of the other grand speeches: plenty of spin, plenty of build-up, but no substance. There was nothing there for the families of Australia who are hopeful that there might be some relief for them from the crushing extra costs that have got out of control under this government. There was nothing for the unemployed or the people who are about to lose their jobs because of the economic downturn under this government. There was nothing there for pensioners, who are looking for an increase. There was nothing there for the single pensioners, whose rate has been demonstrated already to be below international figures. Nothing is to be delivered by this government. That is its grand vision.

It reminds you a little bit of *The Hollow Men*, the new ABC documentary program on the Prime Minister's office. I am told it is fictitious, but the first edition had the Prime Minister's staff developing a six-point plan. I think I have heard of six-point plans before. It was all to deal with combating childhood obesity. One by one, they got rid of all the serious issues, and all that was left were the sound bites and the fluff, simply to skate around the issues. It is fictitious but, my word, it seems to have a ring of truth about it.

The issue of concern to ordinary Australians today is their economic future. They took a risk on the Rudd government only nine months ago. They had doubts about Labor's economic competence, but they were so sure that our economy was strong and resilient and could withstand any tremors

that they actually took the risk with a Labor government—and how quickly they have found that their trust was misplaced. Labor's reforms and proposals for the future have simply not been delivered. There is nothing there. The Prime Minister knows that his economic management is biting hard. It is biting hard on ordinary Australians—the people who trusted this government just nine months ago. Their trust has not been repaid. Nothing has been delivered to improve their lot.

When you think of what has happened in Australia since the Rudd Labor government came to office nine short months ago, it is almost incomprehensible. Back then we had an economy that was widely acclaimed as the envy of the world. The coalition had repaid Labor's debt of \$96 billion and, against vocal opposition from the Labor Party, we were putting money aside in the bank, we were saving to help Australia meet the challenges of the future—in capital preserved funds, not slush funds for Labor to roll out on the eve of the next federal election. Back then, the sixth successive round of tax cuts was in the pipeline. There was record federal government expenditure on health, on education, on infrastructure, on defence, on the environment, on social welfare, on industry and to the states. Unemployment was low, the stock market was booming and business and consumer confidence were high. That was only nine months ago.

Before the election, Labor said they would put downward pressure on petrol prices, but fuel costs have gone up. What action have consumers got from the government in their delivery of an action plan to solve this problem that they said before the election that they would fix? They have got Fuelwatch, an empty scheme that has delivered nothing where it has been put in place. It is a scheme that the ACCC and four government departments acknowledge will not work outside the

capital cities—and many people in the capital cities do not believe it will work there either. It is a scheme that eliminates cheap Tuesdays.

Labor said groceries would be cheaper, but they are more expensive. And what have the public got by way of action from this government? We now have GROCERYchoice—this incredible website with information on it that is up to a month old and is not able to account for local, daily or weekly specials or price changes. GROCERYchoice information does not provide any details of specials, surcharges, quality differences or purchase limits. It does not even tell you where the supermarkets are. In regional areas, the supermarket could be 100 kilometres away. The information is completely useless. It does not differentiate between supermarkets of different sizes—a matter of great concern to the independent grocers, who obviously have businesses of different sizes. It is another useless scheme that has delivered nothing.

Labor said interest rates should go down, but they have gone up. They talk about interest rate rises under the previous government, but there have only been increases under this government. They were going to improve housing affordability, but housing affordability has declined, rents are higher and people are hurting and struggling to keep a roof over their heads. The government boast often about what they are going to do with broadband, but they cancelled the OPEL contract, which would have already been delivering fast-speed broadband to Australians—and who knows whether their own scheme will ever be delivered? The speculation in yesterday's press that it has now degenerated into a duplication scheme for broadband in the cities and will provide nothing to people who live outside the current broadband range is a matter of grave concern.

Labor's priority was to fight inflation, but inflation is now at the highest level for 17 years. To fight inflation they were going to spend more money on infrastructure, but they have actually cut infrastructure expenditure by \$10 billion on what the previous government had committed. They said they would cut taxes, but the revenue went up in their only budget. They said they were the party for the environment, but their new Caring for our Country program spends \$1 billion less than the previous government's Natural Heritage Trust and National Action Plan for Salinity and Water Quality. They were going to save the whales, but they have wimped out on their promised legal action.

They said they would be open and transparent, but scrutiny of billions of dollars of government expenditure is covered up by the excuse that they were Labor election promises. They said they would support alternative energy, but they have abolished the solar panel rebate for most applicants, they have axed the rural and remote renewable energy program and they have slashed support for the ethanol industry. They said there would be a computer for every student, but now it is only one computer for every second student, and only then if the schools or the P&C pay for the electricity, the computer programs, the air-conditioning and the replacements. There was going to be a trade training centre in every school, but this has degenerated into just refurbishing some existing classrooms and getting a new sign—and even that is going to take 10 years.

They said they were going to protect the workers, but 134,000 more people will be out of work as a result of this budget and strikes are up sixfold. Incredibly, today the minister did not even know how many Labor were predicting to throw out of work; yet their own budget papers say it will be 134,000. The stock market has plummeted, the budget has predicted rising unemploy-

ment and we have the worst levels of consumer confidence since the Keating government said we were in a recession that we had to have. We did not have to have this recession. The Rudd government, which promised so much, which were going to deliver big things to the Australian people, have simply failed—and they can no longer blame others; they must take responsibility for their actions. *(Time expired)*

**Ms PLIBERSEK** (Sydney—Minister for Housing and Minister for the Status of Women) (4.05 pm)—I thank the Leader of the Nationals for that extraordinary performance. It is really terrific to see the optimism on his face, but the thing that bothers me a little is the state of denial that he is still living in—though it is common, of course. He says that, nine months ago, the economy was in very good shape, that it was in 'ruddy good health'—along with the Leader of the Opposition, who said interest rates were coming down under them. It was a bit of a shock when they continued to go up, wasn't it? We had the now shadow Treasurer, the member for Wentworth, saying that interest rate increases were overdramatised and that inflation was a fairytale. It would have been a bit of a shock to the system to those people who were paying extra on their home mortgages, groceries and other expenses. We also had the previous Treasurer, the member for Higgins, saying that there was no housing affordability crisis. This tale of constant denial of the ills of the economy is the story of the previous government. It is the story that the Leader of the Nationals repeats today.

The Leader of the Nationals has also, extraordinarily, criticised the government for reviews and reports. This is the former minister who, during his career, announced or welcomed 70 reviews. That is how many I can find; there may be more than 70. There were reviews relating to electronic funds transfer, Customs passenger processing,

cosmetics labelling, fire extinguisher standards, restructuring the pork industry, product safety recall, Centrelink payments, disability services, caged hens, beef export quotas, family farm support and 29 separate reports on the National Heritage Trust. I could not read the whole list or I would run out of time, but it goes on: shark finning, wool levies, the Jack Mackerel Fishery. On the second page are citrus growing, pig meat processing, and so it goes on—over 70 reports. It is hard to know what he actually achieved with any of those reports, but we will leave that for another day.

As the government of course we take responsibility for economic news, good and bad. We do not seek to shift blame or responsibility. We are not in denial; we are about facing the issues that the Australian public are dealing with in their day-to-day lives. We know that many working families are doing it tough. We know that pensioners are doing it tough and need the support of their government. And the focus of the government, in nine months of operation, has been to deliver policies that address those concerns of working families, of pensioners, of carers and of anyone who is doing it tough in the Australian community. There are all sorts of ways that Australians today are better off than they were nine months ago, including the personal tax cuts that they have received and including the other benefits such as the childcare tax rebate increase, the education tax benefits and the benefits that have gone to seniors. We recognise that those benefits are important but we understand that they do not solve all the problems that all people face. This is the difference between the government that we had, a government of denial and minimisation of difficulties and problems, and this government, which is prepared to step up to the plate, take responsibility, make some tough decisions, help the people who need help and lead the country into the future.

We have some very difficult countervailing forces in the economy at the moment. We have record high terms of trade and low unemployment, but growth is slowing. We have inherited the highest inflation rate in 17 years. That is a simple fact. Despite strong fundamentals we are not immune from what is happening in the world economy. We need to take action now to strengthen our economy, and we have sought to do that. We have sought to do that through a budget surplus of \$22 billion, because we on this side of the House understand that inflation is the real evil and the real enemy of working families struggling to make ends meet.

The inflation rate was the reason why the Reserve Bank increased interest rates 10 times in a row under the previous government. We have had 12 interest rate rises since May 2002, 10 of them under the Liberal Party in government. We have international factors like the oil shock, the credit crunch and a drop in worldwide consumer confidence. All of those things are true, but we do not seek to blame those factors. We do not seek to minimise what is going on here. We seek to step up to the plate, take responsibility and deliver a budget that protects Australia from these forces. That is why we put \$55 billion on the table to assist those who are doing it tough. We have helped pensioners with the utilities allowance, working families with tax cuts and people with children in child care with an increase in the childcare tax rebate. There is a Working Families Support Package that has delivered \$7 billion in tax cuts this year alone. It is a direct and very practical benefit for those working families that we are talking about. Take, for example, a single-income family on \$40,000 a year. They now have an extra \$20 a week in their pockets due to our tax cuts—a very simple, very direct benefit. If they have a child in high school they will be able to claim back \$750 a year in education costs on top of that

tax cut. If there is a child in a childcare centre they will get 50 per cent of any out-of-pocket expenses back.

Those are of course not the only achievements we have delivered; look at how they affect individual families. It would be worth the Leader of the Nationals having a look at this and learning a little bit about the federal budget. I think he was in the chamber in May, but I wonder, because he seems to have missed some of the key points. Take Denise and Wayne as examples from this *Working Families Support Package* booklet:

Denise and Wayne are parents working full time to provide for their two children, Shane and Sally. Denise earns \$90,000 a year and Wayne \$60,000 a year.

With both of them working full time they need child care. One child is in long day care and one is in after-school care. Denise and Wayne pay just over \$16,900 in childcare costs but get \$8,450 back. Under our system they are getting an extra \$2,050 a year more than they would have under the previous government. That is just one example—one family, one cameo.

But beyond these tax rebates and increases, let us look at what we are doing in the wider economy. How about the \$20 billion Building Australia Fund to invest in new infrastructure, to move goods across the country and to move people across our cities? Or the education revolution that the Prime Minister talked about again today at the National Press Club, dealing with the skills shortages that we were left by the previous government?

The Leader of the Nationals also mentioned housing affordability. It always strikes me as passing strange that an opposition that had no housing policy and no housing minister should now finally accept that housing affordability is a key challenge for the government. There are \$2.2 billion of new initia-

tives in the area of housing, including \$512 million for a Housing Affordability Fund to lower the cost of new homes to market, helping particularly first home buyers struggling to break into the market; and a National Rental Affordability Scheme that will help build 50,000 new affordable rental properties between now and 2012—and, if there is demand, another 50,000 beyond that. We are already in the marketplace calling for expressions of interest for those new rental properties. We will see them built in coming months. We are increasing the supply of land available by releasing surplus Commonwealth land. And there are the first home saver accounts, probably the biggest revolution in personal savings in this country since the introduction of superannuation. First home saver accounts will help young Australian women and men save a much bigger deposit for their first home.

The government have put forward all of these measures in the area of housing affordability, but of course the Leader of the Nationals is very dismissive of these measures. He says that we have not done anything for working families and that we have not done anything in the areas of tax cuts, child care, pensioners and so on. It reminds me of a comedy sketch I saw many years ago that said: 'What have the Romans done for us lately? Besides roads, what have the Romans done for us lately? Besides water viaducts, what have the Romans done for us lately?' Our measures on tax, on reducing the cost of child care, on building more affordable housing, on delivering real benefits to pensioners who are struggling—as they were for years under the previous government—are all dismissed because they do not fit in with the Leader of the National Party's world view, which is that everything was great until November last year. Everything was great and then, on the Sunday morning after the election, we all woke up and suddenly we were

governed by socialists and the whole world had fallen apart.

Madam Deputy Speaker, you do not hear people on this side of the chamber saying that Australian families have never been better off. The Leader of the Nationals laughs about that and dismisses it, but I really think that was a key insight into how out of touch the previous government had become. That one line, 'Working Australian families have never been better off,' was a key insight. The Rudd government have delivered over \$55 billion worth of benefits for Australian working families but are we standing over here claiming that they have never been better off? No. We recognise that there are cost-of-living pressures on them that relate to their mortgages, to petrol, to grocery prices and a whole lot of other things, like education expenses and childcare expenses. Despite the help that we have given them, we know that many of them are doing it tough. I think that this is the key difference between a government that is in touch with the community it represents and a government, like the previous government, that has lost touch with the community it represents.

Every time the government, very responsibly, say, 'Hang on a minute; there are some things in the economy that are building to become problems. If we don't take action they are going to become worse problems,' every time we responsibly draw attention to something that needs to be done, we are accused of talking the economy down. Any criticism that we might make: we are talking the economy down. Any warning that we might pose, any suggestion that we might make: we are talking the economy down. What is this matter of public importance about if it is not about talking the economy down? Again you have got an approach of convenience: believe what you like as long as it fits in with your world view, and then

take an argument that is based entirely on convenience.

The government have delivered a responsible, inflation-fighting budget with a surplus of \$22 billion written into it. At a time of global uncertainty, this is the very best protection we can offer Australian citizens. It is this very surplus, however, that the opposition want to punch a great big hole in. They want to punch a \$6.2 billion hole in this surplus. That is simply not a path that speaks of economic responsibility. At a time of global uncertainty, we need a measured response, we need a buffer against the vicissitudes of the global markets and we need tough decision makers. We do not need the grandstanders that we have got opposite. We need responsible managers. We do not need this budget blocked by the irresponsible, short-term political interests of the opposition.

It is plain that the Liberal Party are no longer interested in responsible economic management. I did hope for a little better from the National Party. I did hope that they might be a little more responsible than the Liberal Party, but I am disappointed to see that the Leader of the Nationals today has hopped right onto that bandwagon. If the Liberal and National parties were interested in sound economic management, they would pass this budget, in full and on time, and stop getting in the way of sound economic strategy.

Again today we have had the coalition desperately trying to convince the House and the Australian people that the decline in Australian consumer confidence is a result of the actions of the Rudd government. They woke up one day in November and everything has been going downhill since then. It might be news to the Leader of the Opposition that consumer confidence across the OECD has fallen and there are a number of global forces seriously affecting our Australian

economy. The UK did not grow at all in the three months to June. Japan, Germany, France, Italy and Canada all recorded negative growth in their most recently reported quarters. We know the effects that financial turbulence is having: the oil shock, the increase in food prices around the world and so on. All of us on this side of the House understand that we are facing some very difficult economic times. We are dealing with those difficult economic times by taking the most responsible path when it comes to providing a large budget surplus, spending responsibly and providing real benefits—\$55 billion to Australian working families. I would suggest to the opposition that they either get on board or get out of the way.

**Mrs MAY** (McPherson) (4.20 pm)—Despite what the Minister for Housing has shared with us this afternoon, I think that for the first time in living memory Australia has a government that is not working in the interests of all Australians. The minister has indicated this afternoon the pressures and the difficulties that working Australians, families and pensioners are facing. She talks about the tough decisions that this government has taken, but I think that all we have seen have been more and more reviews. We have seen no tough decisions, no support for those Australians doing it tough—particularly our senior Australians, who we know are really doing it tough.

The Rudd government, despite what the Minister for Housing has said this afternoon, has talked down the Australian economy. We know that business confidence is at record low levels. Today many of our senior Australians are feeling anxious and they are feeling insecure, and this is a new situation for many of those senior Australians who, under our government—the previous Howard government—felt secure.

It is the Rudd government which has created this sense of insecurity that all our older Australians and, indeed, many of our working Australian families are feeling today. As I travel around Australia—and I do have a particular interest in older Australians—they tell me that this feeling of insecurity is something they have not experienced in a decade or more. Under the previous government, this country enjoyed strong—

**Mr Billson**—They are generally anxious.

**Mrs MAY**—They are generally anxious. They enjoyed strong economic management and they experienced strong economic growth. Under the previous government, older Australians had a feeling of wellbeing in their lives, but something has changed. The Rudd government were elected in November last year and didn't they promise the world? They promised to keep the lid on petrol prices. They promised to keep grocery prices low. In fact, in the nine months prior to the last election we heard the Prime Minister use that phrase first made famous by US President Harry Truman, 'The buck stops with me,' and we heard that 31 times. Since the election he has used the phrase only once. In the nine months prior to the last election the Prime Minister assured us he would stop the blame game, and he assured us of that 146 times. In fact, this afternoon the Minister for Housing confirmed that her government wants to stop the blame game. But since the election the Prime Minister has only assured us 36 times that he will end the blame game. The fact is that the buck has gone down the drain and the blame game continues. We hear that day in and day out in this House—how the 12 years of the previous Howard government are the cause of all the problems facing the Rudd government today.

There is not a day that passes in this place that we do not hear about this blame game

and that the difficult economic situation that the Rudd government are facing today is because of the Howard government years. They forget that we left them in the strongest financial position ever—they have a surplus to use to support Australians. The government will soon have been in office for one year. One would have to ask: when will they stop blaming everyone or anyone for the problems they have created and failed to fix? The blame game cannot go on. Those sitting opposite found it quite easy to carp from the sidelines for 11½ years while the previous government rolled up its sleeves and did the hard yards, made the tough decisions. But, now that they find themselves sitting on the government benches, they have discovered that they do not have the ability nor, I believe, the talent to fix the problems they are facing today. Where is the government's clearly defined strategy to keep our economy strong? I will tell you where it is: they do not have one.

A news poll on 2 July 2008 revealed that the percentage of Australians who believe their standard of living will get worse has more than doubled to 43 per cent and the percentage of Australians who believe their standard of living will improve has dropped to just 13 per cent. This is the lowest confidence level since Labor's recession that we had to have, and we all remember that recession—the recession we had to have. We recently had the Treasurer saying that the inflation genie was out of the bottle. It is because of the words and actions of the Rudd government that the confidence of Australians to meet the challenges of the future has all but collapsed.

We recently had senior Australians taking their clothes off in the middle of a Melbourne street in an attempt to highlight to the Rudd government that soaring utility prices, soaring petrol prices, soaring grocery prices, soaring rents—and the list goes on and on—

are causing them grief and anxiety. Where is the Prime Minister? Where is the Treasurer? Do they even hear the cries for help from senior Australians? What sort of country do we have? What have we become when we have senior Australians turning off their power and risking their health, their wellbeing and even their lives because they cannot even afford the heating bill? What sort of country have we become when senior Australians are unable to pay for a basket of staple foods from the local supermarket?

The Rudd government would like us to believe that senior Australians do not need to worry, that they are in safe hands and that they are in empathetic hands. The Minister for Families, Housing, Community Services and Indigenous Affairs in this chamber this afternoon kept saying that they understand the cost-of-living pressures on our seniors and they are reviewing the situation. While our seniors wait for another Rudd government review to be finalised, more and more senior Australians will suffer without any relief at all at the hands of the government. Just today at the National Press Club the Prime Minister talked about creating a fairer Australia. A fairer Australia for whom? It certainly is not fair for our older Australians and in particular for those single age pensioners living on \$276 a week with no relief in sight, just another review and another 12-month wait. Will the Rudd government's fairer Australia reflect his inclusive Australia, which saw senior Australians overlooked at the 2020 summit and on the Social Inclusion Board? The Rudd government has been consistent on one thing—it does exactly the opposite of what it says. Watch out, Australia. If the Prime Minister is telling us we will have a fairer Australia, interpret this as an unfair Australia.

We can apply this same rule to the Rudd government's so-called inclusion policy. No doubt it will be the exclusion policy when it

comes to senior Australians. Pensioners in Australia are struggling to keep their head above water; they are struggling to meet the everyday needs that ensure their health and wellbeing are maintained. They are faced with a government that is not prepared to commit to any relief for them in the short term. All we hear about from this government is review after review, and we are experiencing yet another long wait.

We talk about social inclusion and our senior Australians as being the backbone of our country—they built this wonderful country of ours. Ours is a wealthy country and we should allow our senior Australians to live in dignity and to age with dignity. They need the government's support to ensure that their wellbeing, safety and health are paramount. They should get a pension and support from this government that will ensure they can maintain a healthy lifestyle as they age.

**Ms COLLINS** (Franklin) (4.31 pm)—We are debating the myth spread by members opposite that the government is not accepting responsibility for the economy or taking any action. One thing we can all be sure of as we face the challenging world economic situation is that most Australians are better off under this government than they would be if members opposite were still in government. They presided over 12 years of inaction; they did nothing to help Australians doing it tough. They had inflation running at a 16-year high. Australians endured 10 interest rate rises in a row, giving the country the second highest rates in the developed world. That string of rises had a devastating impact on the lives of all Australians.

We should refer to members opposite if we talk about responsibility for the economic situation in Australia. In addition to economic management, we are also dealing with the challenges of the global economy. This government is not walking away from those

challenges; it is taking responsibility for them. The Prime Minister said today that the government accepts responsibility. The global oil shock has resulted in increasing food prices and other living costs. Several global factors are at work, but we are making progress.

This government has introduced measures to address these issues. We have heard from the Minister for Housing. We are talking about broader issues in the Australian economy. We are also tackling the issue of homelessness. If members opposite were still in government, we would not even have a housing minister. That is indicative of how much things have changed and how much action has been taken. But when people woke up on Sunday, 25 November the world was not a different place and the world economy's effect on all Australians had not changed.

This government's first budget delivered a \$55 billion package for working families. It put money back into the pockets of Australian families. As part of that package, the government is taking action on an important issue that is very dear to me—that is, child care. I had the misfortune to have my children in child care under the former government. I say 'misfortune' because paying childcare fees under the former government was like having a second mortgage. Over 11 years under that government childcare fees almost doubled. What action did members opposite take to help those Australians with children in child care struggling to pay increasing childcare costs and increasing mortgage payments? We know the answer to that; it is the answer to any question about what they did: not much, very little or nothing. After years of community pressure, the former government finally gave in and provided some relief in the form of the 30 per cent rebate. However, they made families wait nearly two years to get that relief and then, in

a desperate election bid, they made the rebate annual.

The Rudd Labor government is helping Australians doing it tough paying childcare bills by acting and taking responsibility. This government has increased the childcare tax rebate from 30 per cent to 50 per cent of out-of-pocket childcare expenses. That is having a big impact on families with children in child care. This government is also increasing the annual limit claimable by families from \$4,354 per child per year to \$7,500 per child per year. These measures will provide the average family with a benefit of \$500 to \$2,500 extra in their pockets each year. That is significant assistance to those families. The rebate will also be paid quarterly, with the first payment being made to families in October. That is right: action in October by the Rudd Labor government. These are all important measures that will help many Australians.

We heard from the member for McPher-  
son about seniors and pensioners. This government is concerned and it understands that they are doing it tough. More than 90 seniors attended a seniors forum that I conducted in my electorate. They talked to me about their ideas and concerns and I listened. The Minister for Human Services, Senator Joe Ludwig, attended and he also heard their concerns. That is why the government is conducting a review of pensions, carers and disability support mechanisms. That is why it is looking at long-term benefits for those Australians and how it can assist them over the long term. This government is acting, it does care and it is concerned for the welfare of older Australians.

The government has also provided short-term assistance. It has increased the utilities allowance from \$107 to \$500 a year, and it is now being paid quarterly—that is, when the seniors get their bills. It has also increased

the seniors' concession allowance from \$218 a year to \$500 a year and the telephone allowance from \$88 to \$132 a year for those with an internet connection. It has also committed to paying the seniors' bonus again, and they have already received their bonus this year. Seniors in my electorate of Franklin are pleased with that short-term assistance and that over the long term this government is doing something to help them.

The government's first budget was a responsible budget and it delivered assistance to working Australians doing it tough. The tax cuts were aimed at low- to middle-income earners, who need them most. What has been irresponsible is the response to the budget from those opposite. Those opposite are refusing to take responsibility for their 12 years of inaction. What are they doing now? They are threatening the budget surplus in the Senate. They are trying to blow a large hole in the budget surplus in the Senate. What will that do? As we heard today in question time and yesterday in question time, that will put at risk our strict budget measures trying to put downward pressure on interest rates.

I wonder if those opposite really want interest rates to come down, because their behaviour certainly does not show that they actually care about what is happening. If they are really concerned about those doing it tough, if they are really concerned about pensioners, then perhaps they should put some detailed policy on the table that will produce some budget savings, that will put downward pressure on interest rates, that will assist working Australians doing it tough. All we hear from those on the other side is criticism, criticism and more criticism. We see no action from them. They do not have any plans for Australia's future. They do not have any plans to put downward pressure on interest rates. They do not have any plans to put downward pressure on inflation. All they do

is try and score cheap political points. People out in the electorates are doing it tough. We recognise that and we are acting on it; we are acting on it every day with our policies. We have acted on it in our budget. We have acted on it in our housing measures. We have acted on it in our childcare measures. We have acted on it in a whole range of other measures in this budget that we have delivered.

I call on the opposition to support the budget in full in the Senate and deliver for those Australians who are doing it tough out there in the electorates at the moment. Those on the other side really cannot come in here and claim to care about Australians who are doing it tough when they behave in such an irresponsible manner and do such irresponsible things with this government's budget. This government was elected to govern. This government was elected to make tough decisions, and that is what we have done in our first budget. I call on the opposition to support it in full in the Senate.

The other issue that I wanted to talk a little bit about before I finish up is—

**Mr Ciobo**—You should finish up now.

**The DEPUTY SPEAKER (Hon. AR Bevis)**—Order!

**Mr Symon**—Member for Moncrieff, give her a go.

**Ms COLLINS**—Yes, that is very uncalled for. The member for Moncrieff obviously is not concerned at all about those Australians out there who are doing it tough—

**Mr Ciobo**—You still have two minutes to go.

**The DEPUTY SPEAKER**—Order! The member for Moncrieff will sit there in silence—

**Ms COLLINS**—The member for Moncrieff is not really interested in those issues that are concerning people out there in the electorates—

**The DEPUTY SPEAKER**—and the member for Franklin should not provoke him.

**Ms COLLINS**—Sorry, Mr Deputy Speaker. The other issue that I did want to address that I have not got to is with regard to the opposition claiming that this government's—

*Mr Ciobo interjecting—*

**Ms COLLINS**—Sorry?

**Mr Snowdon**—Don't take any notice of him.

**Ms COLLINS**—I will finish there.

**Mr BROADBENT (McMillan)** (4.40 pm)—I stand here reflecting on the 11 years of the Howard government and I say I am a proud Liberal, I am a proud Victorian, I am a proud Australian and I am proud of what the Howard government achieved with regard to veterans affairs, aged care, defence and the wellbeing of the Australian community and all the things that were good about this nation over those 11 years. It is about time somebody stood in this place and said, 'We are proud of the 11 years of the Howard-Costello government.' I am proud to be a member of the coalition team that is Her Majesty's opposition and I am also proud of the legacy of the years that were dominated by the good governance of the Howard-Costello government—let us not forget that.

Phyllis Diller said about her husband, 'Something terrible happened to me last night.' The question was asked, 'What was that?' and she said, 'Nothing.' That is exactly what has happened since this government came to office. Something terrible happened in November last year: the Rudd government was elected and nothing has happened since then—nothing has happened on groceries, nothing has happened on petrol, nothing has happened on housing, nothing has happened on rentals and nothing has happened on in-

terest rates. That is what this is all about. When the Rudd government were in opposition, they led the Australian people to believe that they could do something about all these things. The great disappointment, the great uncertainty and the great collapse of confidence are all about the fact that the Rudd opposition led the Australian people to believe that they could actually do something about all these things. The Australian community is soured and disappointed that nothing has happened to this point under the Rudd government.

When the Prime Minister spoke at the National Press Club today, he said, 'If I offer you some money, will you listen to my Ruddspeak, will you listen to what I have to say about this issue?'—which was another rehash of his education proposals. The Australian community is saying: 'No way. No chance. No, Mr Rudd, we have gone far enough now. We've listened. We're looking for you to do something, anything, that is going to impact on our lives today not in 10 years time.' The Prime Minister passed up a golden opportunity today at the National Press Club to outline his government's strategy for meeting the economic challenge faced by Australia and the Australian people. All he could do was tell us that Australia is not immune to the global impact of the fall-out from the United States subprime mortgage meltdown. He pointed out that, while Australia's growth in gross domestic product is down to less than two per cent at present, countries such as the United States, Canada and Japan are all in negative territory. He could not quite bring himself to admit that this could be the result of the underlying strength of the Australian economy, which was built up, as I said, over 11 years of cohesive governance.

The Prime Minister failed to mention how his government intended to help ordinary Australians who struggle with higher food

and petrol prices, increased council and water rates and generally increased costs of living. Gippsland Water customers in my electorate of McMillan learned recently that their water rates are going to increase by 71 per cent over the next four years. How is he going to help young working families in areas like Pakenham as they struggle to meet higher and higher payments, including higher and higher housing costs, higher and higher household costs and higher and higher costs that they know run right across their community? How is he going to help retirees and pensioners in communities such as Wonthaggi and Inverloch, many of them finding their superannuation investments falling in value by the day? They have just had a report on the condition of their superannuation, and it is not good. How is the emissions trading scheme going to address the concerns of thousands of power industry workers—and the union movement should be listening to this today—in the Latrobe Valley who are worried about their future and their children's future because of the possible impact of this emissions trading scheme proposed by the Labor government?

Once again, these people have to face uncertainty. Tax cuts and increased welfare payments introduced in the May budget have long been swallowed up by a whole range of rising prices and charges. These working families—real working families—pensioners, retirees and those on welfare payments want to hear from the government what it intends to do to help them now. They need to know that their government is not just sitting on its hands and hoping things will get better in time for the next election. *(Time expired)*

**Mrs D'ATH** (Petrie) (4.45 pm)—It is interesting to hear the member for McMillan talk about his pride in the Howard government's legacy. What we have heard from speakers on the other side, and what has been

shown once again today, is their absolute lack of understanding of long-term strategies to build a nation. Let us have a look at the Howard government's legacy. As of 23 November 2007 there had been 10 interest rate rises in a row, the highest inflation in 16 years, no housing policy and no housing minister—and there was Work Choices. You are worried about jobs, but you did not worry about jobs for 12 years. The only long-term strategy that the Howard government had from the day that John Howard got into government was to strip away workers' rights. That is his only real legacy. Clearly what we have seen today is more evidence of not only the complete ignorance of the coalition but also their arrogance, reinforcing how out of touch they were and continue to be in opposition on issues facing Australians in relation to things such as homeownership, home rental, public housing and homelessness.

We have heard the claim from one of the speakers opposite this afternoon that seniors were forgotten in the 2020 summit. Well, I will enlighten you. I am very proud that a most respected senior, Everald Compton, was there representing the electorate of Petrie. He attended the 2020 summit not just as a senior himself but as a well-known representative of seniors in Queensland and nationally. I certainly do not disregard his contribution to that summit.

Let us have a look at families and child care. What was the Howard government's legacy? A childcare tax rebate that parents had to wait two years for. That was a government that lacked the foresight to understand the importance of regular systematic payments instead of single annual payments. This was seen in the previous government's approach to paying utilities allowance to seniors and not paying it at all to disability pensioners and in the Howard government's handling of the childcare tax rebate. Compare this to the Rudd government's commit-

ment and, importantly, the Rudd government's actions. We had a shadow housing minister before the election. We immediately appointed a housing minister when we came into government. We have a housing policy. Already we have outlined strategies for people to own a home and for getting more houses into the rental market. We are engaged in a genuine dialogue with the community on how to reduce the number of people, including young people, being turned away from emergency shelters, and we are gathering ideas to tackle the significant public housing issue in this country.

The Labor government has also taken the important step of increasing and extending the utilities allowance and the childcare rebate. But we also grasp that to truly assist people struggling with increased costs of living, it is not just about the amount of money that you provide for assistance but about how you provide that assistance. That is why the Rudd government is providing these payments on a quarterly basis. That is when people need the financial support and that is when we will provide it. Of course, the previous government were just about the big carrot—the one-off payments each year to win votes. They seemed to think that bills only come in once a year at the end of the financial year and that it is not an ongoing struggle for families to meet those financial commitments.

During this MPI we have seen the opposition once again showing how out of touch it is with the community. Labor has introduced real policies to address cost-of-living pressures and brought down a budget that funds these policies. If the opposition is really serious about cost-of-living pressures, it should stop trying to raid the budget surplus, stop being economically irresponsible by blowing a hole in the surplus and put the budget legislation through the Senate. Then maybe, just

maybe, the community might start taking it seriously—but I very much doubt it.

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

**AVIATION LEGISLATION  
AMENDMENT (2008 MEASURES No. 1)  
BILL 2008**

**Report from Main Committee**

Bill returned from Main Committee without amendment; certified copy of the bill presented.

Ordered that this bill be considered immediately.

Bill agreed to.

**Third Reading**

**Mr SNOWDON** (Lingiari—Minister for Defence Science and Personnel) (4.51 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

**AVIATION LEGISLATION  
AMENDMENT (INTERNATIONAL  
AIRLINE LICENCES AND CARRIERS'  
LIABILITY INSURANCE) BILL 2008**

**Report from Main Committee**

Bill returned from Main Committee without amendment; certified copy of the bill presented.

Ordered that this bill be considered immediately.

Bill agreed to.

**Third Reading**

**Mr SNOWDON** (Lingiari—Minister for Defence Science and Personnel) (4.52 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

**CONDOLENCES**

**SAS Signaller Sean McCarthy**

**Report from Main Committee**

Order of the day returned from Main Committee for further consideration; certified copy of the motion presented.

Ordered that the order of the day be considered immediately.

**The DEPUTY SPEAKER (Hon. AR Bevis)**—The question is that the motion be agreed to. I ask all honourable members to signify their approval by rising in their places.

Question agreed to, honourable members standing in their places.

**Hon. Peter Drew Durack**

**Report from Main Committee**

Order of the day returned from Main Committee for further consideration; certified copy of the motion presented.

Ordered that the order of the day be considered immediately.

**The DEPUTY SPEAKER**—The question is that the motion be agreed to. I ask all honourable members to signify their approval by rising in their places.

Question agreed to, honourable members standing in their places.

**COMMITTEES**

**Intelligence and Security Committee**

**Membership**

**The DEPUTY SPEAKER (Hon. AR Bevis)**—Mr Speaker has received advice from the Prime Minister nominating a member to be a member of the Parliamentary Joint Committee on Intelligence and Security.

**Mr SNOWDON** (Lingiari—Minister for Defence Science and Personnel) (4.52 pm)—by leave—I move:

That, in accordance with the provisions of the *Intelligence Services Act 2001*, Mr Robb be appointed a member of the Parliamentary Joint Committee on Intelligence and Security.

Question agreed to.

### PARLIAMENTARY ZONE

#### Approval of Proposal

**Mr SNOWDON** (Lingiari—Minister for Defence Science and Personnel) (4.55 pm)—On behalf of the Minister for Home Affairs, I move:

That, in accordance with section 5 of the *Parliament Act 1974*, the House approves the following proposal for works in the Parliamentary Zone which was presented to the House on 26 August 2008, namely: Pavement artwork at Reconciliation Place.

Question agreed to.

### TELECOMMUNICATIONS INTERCEPTION LEGISLATION AMENDMENT BILL 2008

#### Referred to Main Committee

**Mr PRICE** (Chifley) (4.55 pm)—by leave—I move:

That the Telecommunications Interception Legislation Amendment Bill 2008 be referred to the Main Committee for further consideration.

I point out to all honourable members that this motion enjoys the support of the honourable member for Fairfax, the Chief Opposition Whip.

Question agreed to.

### BUSINESS

#### Consideration of Private Members' Business Report

**Mr PRICE** (Chifley) (4.56 pm)—I present the report of the recommendations of the whips relating to committee and delegation reports and private members' business on Monday, 1 September 2008.

*The report read as follows—*

Report relating to committee and delegation reports and private Members' business on Monday 1 September 2008

Pursuant to standing order 41A, the Whips recommend the following items of committee and delegation reports and private Members' business for Monday 1 September 2008. The order of precedence and allotments of time for items in the Main Committee and Chamber are as follows:

#### PRIVATE MEMBERS' BUSINESS

#### Items recommended for Main Committee (6.55 to 8.30 pm)

#### Notices

**1 Ms Vamvakinou:** To move—That the House:

- (1) recognises the social, economic and human cost of the current Palestinian-Israeli conflict;
- (2) notes the broader implications of the Palestinian-Israeli conflict in terms of regional stability as well as diplomatic relations in the Middle East;
- (3) condemns all forms of violence as an obstacle to peace;
- (4) supports the renewal of diplomatic efforts to negotiate a just and lasting peace and recognises the efforts of the Quartet-led Road Map to peace in the Middle East;
- (5) notes the Middle East peace initiative formally announced by Saudi Arabia's Crown Prince Abdullah during a meeting of the Arab League Summit in Beirut in March 2003;
- (6) acknowledges that a negotiated settlement to the Palestinian-Israeli conflict must necessarily involve both parties reaching agreement on final status issues, including the status of Jerusalem, the Right of Return for Palestinian refugees, settlements, security, borders and water;
- (7) supports the Australian Government's recent decision to increase Australia's development assistance program to the Palestinian Territories; and
- (8) believes that Australia has an important role to play as a middle power in encouraging peace initiatives between Palestinians and Is-

raelis that are consistent with Australia's commitment to multilateral diplomacy, responsible international citizenship and the principles of international law.

*Time allotted —30 minutes.*

*Speech time limits —*

*Ms Vamvakinou —10 minutes.*

*First Opposition Member speaking —10 minutes.*

*Other Members —5 minutes each.*

[Minimum number of proposed Members speaking = 2 x 10 mins and 2 x 5 mins.]

*The Whips recommend that consideration of this matter should continue on a future day.*

**2 Mr Randall:** To move—That the House:

- (1) recognises the severe financial distress and hardship faced by a number of current and former franchisees throughout Australia as a direct result of franchisor conduct;
- (2) acknowledges that franchisors must be held accountable for their unconscionable conduct, including non-disclosure, through a more stringent and determined application of existing Trade Practices legislation;
- (3) notes that there are many franchisees that have no adequate or available means to redress their grievances without recourse or expensive and often unaffordable litigation; and
- (4) considers the introduction of provisions, similar to those available in industrial relations legislation, for mediation, conciliation and arbitration, at no cost to the franchisee.

*Time allotted —45 minutes.*

*Speech time limits —*

*Mr Randall —10 minutes.*

*First Government Member speaking —5 minutes.*

*Other Members —5 minutes each.*

[Minimum number of proposed Members speaking = 1 x 10 mins and 7 x 5 mins ]

*The Whips recommend that consideration of this matter should continue on a future day.*

**3 Mr Ripoll:** To move—That the House:

- (1) notes that:

- (a) infrastructure planning provides the platform for regional economic growth;
- (b) the rapid growth in many regional centres has placed the nation's infrastructure network under significant pressure;
- (c) the changing social and demographic environment in major regional centres presents significant economic and development challenges; and
- (d) the past 12 years have been a missed opportunity for the nation to invest in the future beyond the current mining boom; and

- (2) supports the Government's:

- (a) agenda of creating a stronger and more participatory regional development structure through the establishment of Infrastructure Australia, Regional Development Australia and the Major Cities Unit; and
- (b) commitment to regional development and the delivery of regionally significant infrastructure.

*Time allotted —remaining private Members' business time prior to 8.30 pm*

*Speech time limits —*

*Mr Ripoll —5 minutes.*

*First Opposition Member speaking —5 minutes.*

*Other Members —5 minutes each.*

[Minimum number of proposed Members speaking = 4 x 5 mins ]

*The Whips recommend that consideration of this matter should continue on a future day.*

**Items recommended for House of Representatives Chamber (8.40 to 9.30 pm)**

## PRIVATE MEMBERS' BUSINESS

### Notices

**1 Dr Nelson:** To present a Bill for an Act concerning the provision of emergency assistance for the communities of the Lower Lakes and Coorong region of South Australia. (Emergency Assistance Fund for the Lower Lakes and Coorong Region of South Australia Bill 2008)

Presenter may speak for a period not exceeding 5 minutes —pursuant to standing order 41.

**COMMITTEE AND DELEGATION REPORTS****Presentation and statements****1 JOINT COMMITTEE OF PUBLIC ACCOUNTS AND AUDIT**

Report 411: Progress on equipment acquisition and financial reporting in Defence

The Whips recommend that statements on the report may be made —all statements to conclude by 8:50pm

*Speech time limits —*

*Each Member —5 minutes.*

[Minimum number of proposed Members speaking = 1 x 5 mins]

**2 JOINT COMMITTEE OF PUBLIC ACCOUNTS AND AUDIT**

Report 412: Audit reports reviewed during the 41st Parliament

No statements to be made by members

**3 STANDING COMMITTEE ON PRIMARY INDUSTRIES AND RESOURCES**

Down Under: Greenhouse Gas Storage —Review of the draft Offshore Petroleum Amendment (Greenhouse Gas Storage) Bill

The Whips recommend that statements on the report may be made —all statements to conclude by 9pm

*Speech time limits —*

*Each Member —5 minutes.*

[Minimum number of proposed Members speaking = 2 x 5 mins]

**4 JOINT STANDING COMMITTEE ON THE NATIONAL CAPITAL AND EXTERNAL TERRITORIES**

The Way Forward: Inquiry into the role of the National Capital Authority

The Whips recommend that statements on the report may be made —all statements to conclude by 9:10pm

*Speech time limits —*

*Each Member —5 minutes.*

[Minimum number of proposed Members speaking = 2 x 5 mins]

**5 PARLIAMENTARY JOINT COMMITTEE ON CORPORATIONS AND FINANCIAL SERVICES**

Statutory Oversight of the Australian Securities and Investments Commission

The Whips recommend that statements on the report may be made —all statements to conclude by 9:20pm

*Speech time limits —*

*Each Member —5 minutes.*

[Minimum number of proposed Members speaking = 2 x 5 mins]

**PRIVATE MEMBERS' BUSINESS****Notices**

**2 Mr Johnson:** To move—That the House:

- (1) recognises the strategic importance of India to 21st century global geo-politics; and
- (2) encourages the Australian Government to reverse its short-sighted decision to cancel Australia's uranium sales to India.

*Time allotted —remaining private Members' business time prior to 9.30 pm*

*Speech time limits —*

*Mover of motion —5 minutes.*

*First Government Member speaking —5 minutes.*

[Minimum number of proposed Members speaking = 2 x 5 mins]

*The Whips recommend that consideration of this matter should continue on a future day.*

Report adopted.

**NATIONAL GREENHOUSE AND ENERGY REPORTING AMENDMENT BILL 2008****Second Reading**

Debate resumed.

**Mr TUCKEY** (O'Connor) (4.57 pm)—The National Greenhouse and Energy Reporting Amendment Bill 2008 follows legislation previously introduced by the Howard government. It is legislation that is connected with the government's promise that it would introduce, if elected, an emissions trading scheme, of which this is a precursor. The

opposition therefore does not oppose this legislation. However, it gives me the opportunity to raise the many matters of concern that I have with the progression of an emissions trading scheme as a solution to the problems being experienced throughout the globe in climate variation and, of course, the issue of energy security for future generations of Australians. I have grave concerns about the efficacy of an ETS to deliver those outcomes. Governments of Australia over a long period of history have set the energy policy of Australia. The government now turns upon the community and tells them it is their personal responsibility to fix the problem and/or to pay very significant premiums—taxes, if you like—to continue in the lifestyle to which they have been used. I think this is a very important issue. I am not disputing that something has to be done.

During this speech I will propose what governments today could do without ripping the heart out of our industry or imposing unnecessary cost on the people the parliament has just discussed—age pensioners and others. They have enough financial problems and certainly do not need to experience electricity increases of between \$250 and \$300 per household, as was predicted by the Australian Conservation Foundation in a publication it prepared in conjunction with ACOSS and Choice. The Conservation Foundation put the argument that that would be too big a burden to bear and that government should compensate those people. I am sympathetic to those people but I must ask: if you are in the habit of using carbon based energy to heat or light your home, you have an increase in your electricity account of \$300 and a kindly government says, ‘Here is the \$300 back,’ what incentive is there for you to reduce electricity consumption—that is, to reduce the amount of coal being burned in a nearby power station for that purpose? Of

course, this matter goes much further than that.

For the people who will read this speech in *Hansard*, let me point out what an emissions trading scheme is. Basically, it is a process by which, as I said earlier, a government handballs to the general population a responsibility that should be its own. It says: ‘Progressive governments have messed up; they have burnt the wrong sorts of things, taken the wrong energy options—something we have only just discovered—and you must pay.’ If you are a businessman in the export industry and your purchaser overseas is not prepared to pay, you are obliged to either close your business or move it overseas. We have an example of that in the present environment. Fisher & Paykel in Queensland has just moved overseas and 300 workers have been retrenched. Boeing, with 500 workers, has just announced its closure. As an international company it will obviously be passing that employment to people in other parts of the world. Then we have Ford, which is reducing its workforce but presently staying in business. Mitsubishi closed down. It is still selling plenty of cars in Australia, just not making them here anymore. Why the sudden exodus? In the case of Boeing I can announce one reason: it knows what is coming.

The Business Council of Australia was a great proponent of the certain wonders of emissions trading and the profits that were going to accrue to its members in the finance industry. I happened to note on radio one morning a New South Wales state minister salivating over the profits that Sydney would accrue from conducting carbon trades. If profits are made, somebody loses; somebody pays. Here we have this system with all these costs, and suddenly the Business Council, having heaved government before the election for this miraculous means of reducing carbon emissions, is saying the carbon plan

is a 'company killer', according to the *Australian* of 22 August.

What are the government doing? They are saying: 'We've got the answer for you. Come and see us and we will either exempt you or compensate you. Don't worry too much; we are only going to start selling you carbon credit certificates.' I noted in other media coverage that the tax office is already factoring \$11 billion of revenue for the government into its calculations for future tax policy. That is one certainty of an ETS: the government is going to take a very large chunk of money out of the community.

It has also been reported that the emissions trading scheme could be a flop. Unfortunately, the problem for Australia is that it does not matter how successful it is in reducing emissions in this country. I believe we should make a realistic attempt, but the fact is that if we were to evacuate Australia and close everything down then that effort would not change the climate of this continent for the next 50 years, because we are 1.4 per cent of the global emissions footprint. Ministers have come to my electorate and told the farmers, 'If you don't take the pain and suffering it is going to be worse.' The fact is that, whatever the level of pain and suffering, the climate will be whatever it is going to be unless man-made CO<sub>2</sub> emissions are the one and only determinant of current global weather conditions and unless the major polluters are also party to these arrangements.

Of course, in their anxiety to get into the business of carbon trading, the financial industry has employed a true expert. The lady's name is Liz Bossley. She has had 30 years in this business. She is a noted author and is highly respected. Some pretty interesting comments of hers were reported again on 4 August in the *Australian*. Ms Bossley said:

... the indicative carbon price of \$20 a tonne—the so-called "soft start" to the scheme—would not create incentives for new clean technology.

Yet that is what is proposed. In other words, in her view, people will pay the tax but will not clean up their act. She goes on to say:

The low-carbon technology that we really need to get going will not be incentivised at \$20 a tonne. Then, of course, as I have already mentioned, there is the problem of getting the rest of the world to participate and save this continent. What does she say about that?

We will see the Kyoto talks collapse unless we start thinking out of the box, because to bring the US in, to bring China in, to bring India in, and try to get them all capped is just not going to happen. The longer we think that it might happen the more time we're going to waste in trying to find alternative solutions.

So here we are. The government have gone to the people and said: 'We have a miracle. We're going to fix it. It's called an emissions trading scheme—an ETS.' They are progressing it with green papers and white papers. The business community are getting increasingly frantic. I understand that Woodside in the north-west of WA is not even renewing contracts with its subcontractors—their service and shipping contractors and things of that nature—at the moment. I do not know why, but until they know more their boards are not going to meet and carry on with the massive investments that Australia needs to maintain the prosperity we enjoy today.

What is the purpose of tracking and delivering the reduced carbon emissions that come from a trading scheme? We know one thing for certain: it is going to put up the cost of living and the cost of doing business. We cannot legislate to tell people that they have to maintain their business in Australia or open a business in Australia. It is a so-called market solution, and the market gives them the right to close down or leave town. I think

there are two reasons why Boeing walked away from Australia. One of those is probably the 12-month strike. A small percentage of their workforce participated—with picketing and that—but Boeing resisted. Of course, they know that resistance will be futile once this government introduces its new labour laws—and that is the wonder of it. Fairness, we used to say, is in having a job; fairness now is having a job in a trade union.

But that is outside the realm of my problem today. My problem is that you cannot fix carbon emissions with a trading scheme that most of the world appears not to be interested in. You cannot fix it if people just pack up and leave. You cannot fix it if companies which have a captive market, such as with electricity, just put up the prices. If you go down the road of exemptions and compensation, you must clearly defeat the purpose, which is, of course, to increase the cost of carbon based products and consequently encourage people to reduce their use of them. On those two issues, Ms Bossley tells us it ain't going to happen unless you make it really tough and very painful.

So, having told you why I think an ETS will not work, let me return to the solution to the problem. I have said that government created this problem over the last 100 years. Why can't government—from either side of this place—fix it, not by handballing the problem to the general community and business but by investing some of those magnificent surpluses that we keep hearing about into new infrastructure that will connect one of the world's greatest perpetual, renewable energy resources to our general network? Anybody who wants to consult my website, [www.wilsontuckey.com.au](http://www.wilsontuckey.com.au), and go to 'Securing Australia's energy future' will find my proposal there—and costed.

We can save the coal industry by partnering it with the tidal industry. They are ex-

tremely compatible because tidal movements are entirely predictable. Arguably, we can interconnect these two industries using the same technology that is crossing Bass Strait and delivering coal-fired power into Tasmania during the day and hydro back into the mainland during the night on the same set of HVDC bipolar wires. We can interconnect the tidal energies of the Kimberley—CSIRO informed me years ago that it has six times the capacity of Australia's presently installed electrical generating capacity—and we can produce in my \$10 billion package 10 per cent of that figure from a totally renewable resource. Because of its predictability, the manager of a major coal-fired station could take his fishing box with him to work and calculate when his station has to make a major contribution. I might add that this government wants to lock up the wonderful resources of the Kimberley in a heritage order and deny Australians an energy resource currently equivalent to all our energy consumption. I have this proposal on the best advice; this is not some made-up scheme. I have talked to ABB Australia—Asea Brown Boveri—which is one of the biggest electrical companies in the world, and I have talked to people with new tidal generating technology that has been approved by the David Suzuki Foundation.

It is a magnificent and very simple concept. Of course, it is difficult to describe it here in this House, but it was proposed for a major project of 2.8 gigawatts. That is a huge amount of electricity. Let me say, that amount proposed was estimated by the World Energy Council. The Kimberley of Western Australia is a continuous area of fjords and bays. The World Energy Council, quite independently, selected Walcott Inlet and Secure Bay and identified them as having the capacity to produce what is, in fact, 120 per cent of the presently installed capacity of Western Australia.

Furthermore, when you bring that power down the line to Perth and then across to intersect with the eastern states' grid at Roxby Downs or Port Augusta, with minor deviation you can certainly pass through Mount Newman, which creates the opportunity to electrify the entire region that is producing such wonderful export revenue. Imagine converting all the railways in that area to electrification founded primarily on renewable energy. Of course, with 12 per cent of the world owning a motor car today, which will increase to 16 per cent with an additional two billion population by 2020, the price of fuel, whether available or not, will continue to escalate. We need that renewable power to manufacture hydrogen so that people can start and run those cars.

You can run your existing car on hydrogen. CSIRO have already developed a little hydrogen generator. It is the size of a microwave oven. You can put it in your garage and produce enough hydrogen to fuel your new vehicle to travel 1,000 kilometres a week. That is not Fuelwatch; that is a proposition to take people to the next generation and guarantee that future Australians will not be locked into the Middle East or anywhere else for their fuel and energy supplies. Why take a dud trading scheme when you can—(*Time expired*)

**Mr KELVIN THOMSON** (Wills) (5.17 pm)—I rise to speak on the National Greenhouse and Energy Reporting Amendment Bill 2008. The National Greenhouse and Energy Reporting System is a fundamental plank in the government's efforts to tackle climate change, as we move to establish an emissions trading regime, now known as the Carbon Pollution Reduction Scheme. The greenhouse emissions reporting system will play an important role by more precisely quantifying the greenhouse gases that Australia produces. For the first time, we will be provided with robust and comparable infor-

mation on the greenhouse and energy profiles of Australia's large corporations.

From 1 July, businesses emitting large amounts of greenhouse gases have been required to monitor and measure their emissions ahead of reporting them to the government by October next year. Corporate groups that each year emit 125 kilotonnes or more of greenhouse gases or produce or consume 500 terajoules or more of energy will be required to collect data to meet annual reporting requirements. Corporations controlling facilities that emit more than 25 kilotonnes of greenhouse gases or use or produce 100 terajoules or more of energy will also need to collect data. I should indicate to the House that 25 kilotonnes of greenhouse gas emissions are equivalent to the annual emissions of more than 6,200 cars and that 100 terajoules equate to the annual energy use of around 1,900 households. In terms of monitoring and measuring, the system kicked off in July, but relevant corporations will have until 31 August next year to apply to register under the scheme and until 31 October next year to submit their first annual greenhouse gas and energy report.

It is hard to overstate the urgency of the global warming issue. Recently I read the book *Climate Code Red* by David Spratt and Philip Sutton—and I commend it, as well as Al Gore's most recent speeches, to my colleagues. Scientists are now saying that there is a 75 per cent chance that within five years the entire North Pole icecap will completely disappear during the summer months. This will increase the melting pressure on Greenland, which is already melting. Scientists are also saying that the West Antarctic icesheet is melting. When these areas melt, they will generate sea level rise far in excess of what scientists were predicting just 10 years ago. Furthermore, the North Pole, Greenland and the South Pole, because they are bright white, reflect a lot of the sun's

rays. As they change from ice to water, they will absorb the sun's rays instead, further heating up the planet and speeding up global warming. Rising sea levels and more severe cyclones and hurricanes bring with them the prospect of climate refugees, not just a few thousand from low-lying South Pacific islands but hundreds of millions from Bangladesh and other parts of Asia, which will destabilise nations right around the world.

To tackle global warming requires a massive change in how we do things. We have changed the amount of carbon dioxide in the atmosphere from 280 parts per million, as it was for thousands of years, to 380 parts per million and rising. Carbon is coming from many sources but mostly from the coal we use for electricity, the oil we use to run motor cars and the clearing and burning of forests around the world that is done to feed and house the world's skyrocketing population. We have a dangerous overreliance on carbon based fuels. It is at the heart of the three great challenges we face: the economic challenge, caused by increasing petrol and food prices; the global warming challenge; and the national security challenge. Al Gore recently said to Americans:

We're borrowing money from China to buy oil from the Persian Gulf to burn it in ways that destroy the planet. Every bit of [that sentence has] got to change.

That is also true of Australia. The good news is that ending our reliance on carbon based fuels will not only address the global warming emergency; it will help the economy by getting us off the treadmill of ever-rising petrol and electricity prices. It will also mean—again to quote Al Gore—that we can ‘guarantee our national security without having to go to war in the Persian Gulf’.

So how do we end our reliance on carbon based fuels? Some of the detail of the answer is not yet known; but we know the heart of

the answer. We have to move to renewable energies—solar energy, wind energy, geothermal energy. We need to move away from large, centralised power generators and towards local neighbourhood or household based power generation. A sustainable world of the future will have solar photovoltaic panels on every household roof, every commercial and industrial building and every school, church, town hall or community facility.

I am a strong believer in the idea of feed-in tariffs—that is, paying households for power that they can generate and feed back into the electricity grid. I was, therefore, really pleased that this week the Western Australian Labor government announced a plan for a solar energy gross feed-in tariff—a plan to pay households a premium for all the solar energy they produce. And here, in the ACT, there is legislation for a gross feed-in tariff.

I was not the only one pleased to hear the Western Australian government announcement. The Clean Energy Council welcomed the announcement and made a number of important observations on the way through. Firstly, gross feed-in tariffs are recognised worldwide as a key to driving industry maturity. Secondly, a national gross feed-in tariff is the next logical step, given the initiatives being taken around the states. A national policy would ensure a nationally consistent approach, industry certainty, less policy complexity, and it would encourage widespread adoption of solar PV and other renewables. Thirdly, the Council of Australian Governments meeting in Perth on 2 October provides an excellent opportunity to discuss a national feed-in tariff policy. Fourthly, now is the time for a long-term industry policy which will transition the solar PV industry away from rebates. Gross feed-in tariffs set high enough and for long enough will deliver long-term investor cer-

tainty, energy security and reductions in carbon emissions.

It is also worth noting that Britain is headed down the feed-in tariff path as well. It is following Germany, which achieved a dramatic expansion of home generated renewable power, such as domestic wind turbines and electricity generating solar power, with a scheme enabling householders to sell power back to the grid for four times the standard electricity rate for 20 years. The scheme can dramatically reduce payback times for renewable energy.

We also need to live less extravagant and wasteful lives. Until the last generation or two, it was regarded as bad form to throw things out which could be mended or repaired, or to leave electric lights or appliances on if no-one was in the room. However, the age of television and television advertising, in particular, have fostered a culture of waste and extravagance. A lot of people now show no interest in turning off appliances which are not needed or in putting on or taking off a jumper rather than reaching for the switch of the heater or the air conditioner. We need to get out of petrol-guzzling cars and into using alternative fuels and public transport. This is not only good for the planet; it is good for our wallet and good for our physical health.

We need to protect forests around the world—such as the forests of the Amazon, Indonesia and Papua New Guinea. Carbon emissions are continuing to rise and countries around the world keep saying: 'We won't do anything unless other countries take action first.' They are fiddling while the planet burns. It is as if we are living in a home where no-one does the dishes, no-one washes the clothes, no-one puts the garbage in a bin and no-one cleans the toilet, and everyone says that they will not do their bit until someone else does theirs. Pretty soon the

house becomes a pigsty. This attitude also reminds me of the idea of a large boat with 100 canoeists all paddling towards Niagara Falls. At some point the canoeists realise that they are paddling towards Niagara Falls, but each one of them keeps on rowing, saying, 'I'm not going to start rowing in the other direction until everyone else does.'

The carbon emissions reporting measure before the House is all about reporting emissions generated by the production of energy. But there are other significant sources of carbon emissions which also need to be considered in any debate of this kind. The areas of agriculture and forestry and the issue of soil carbon also warrant our attention. I know these areas are proving much more difficult to measure than energy based emissions, but they are important; and we need to do everything we can to get them involved and included.

Recently, the parliament's Joint Standing Committee on Treaties, which I have the honour of chairing, heard evidence in Darwin from the Charles Darwin University based Dr Russell-Smith, a senior member of the Tropical Savannas Management Cooperative Research Centre, concerning the problem of tropical savanna burning in the Northern Territory. Savanna fires are a massive source of carbon emissions in Northern Australia. They constitute half of the Northern Territory's carbon emissions. Depending on the extent of the fire season, they constitute between one and three per cent of Australia's greenhouse gas emissions in any given year. In 2002, 28 per cent of the whole of the Northern Territory was burnt. Dr Russell-Smith said:

... I should point out that the Kyoto Protocol gives us a marvellous opportunity to address a very significant land and economic issue in Northern Australia, which probably does not pertain as greatly to southern Australia. I would like to at

least leave with you the importance of the protocol and where it leads us.

Dr Russell-Smith said that moving away from late, dry season fires of high intensity towards early dry season low-intensity burns cuts carbon emissions in half—a 48 per cent reduction to be precise. Dr Russell-Smith drew to the committee's attention the West Arnhem Land Fire Abatement project. This project is funded by ConocoPhillips, under a contractual agreement of 2005 with the Northern Territory government, to have Indigenous landowners in Arnhem Land manage the fire regime. This project gives a win-win-win or a triple bottom line benefit. There are Indigenous jobs, the unique wildlife of the area is better protected from fire, and carbon emissions are slashed. It is an excellent project and we need more of it.

One point which Dr Russell-Smith made, which I think the House might benefit from, was to point out the difference between sequestration in forestry projects, under the Kyoto protocol, and agricultural emissions abatement, including things like savanna burning. With the forestry projects it is the sequestration of carbon into the living biomass above and below ground that is being accounted for. With savanna burning it is actually management against a baseline. You basically have to demonstrate the preproject level of fire extent in that landscape for, say, the 10 years prior to the project and then you can calculate the emissions. You manage against that baseline. The credits you get are against that baseline.

In the West Arnhem Land project, if we reduced the amount of emissions from 40 per cent, of which 32 per cent were late dry season, to 30 per cent or 25 per cent, we would get a very big emissions abatement. It is a quite different approach from sequestration and it can be measured year by year. It seems to me from this evidence that the measurement model for savanna burning is suffi-

ciently sophisticated and advanced for it to be considered as part of the carbon pollution reduction scheme presently under development by the government.

There is also the issue of forestry and forests as a potential low-cost form of carbon abatement. One of the attractions of looking closely at forestry, agriculture and soil carbon is the potential to bring together a number of important social and environmental goals which have missed out over the years by not having an economic value assigned to them. Problems of climate change, salinity, running out of water, declining biodiversity, species extinctions and lack of Indigenous jobs all tend to be considered as separate problems and, while money does get thrown at them and an endeavour is made from time to time, one cannot help but think that our land management outcomes would be much better than they have been if we put all the issues together and assigned a proper economic value to them.

Recently I met with Rob Youl and Matthew Reddy from the Landcare CarbonSMART project. Landcare is a terrific project and Mr Youl and Mr Reddy are seeking to have it play a role in tackling climate change and indeed to find ways of rewarding landholders who act to tackle climate change. Their efforts should be applauded. They did draw my attention to the existence of some risks in some of the carbon offset programs which are currently being marketed. In particular, the idea of forward loading is a problem—people paying for the planting of a certain number of trees then claiming a carbon credit on the basis that those trees are going to grow pretty much indefinitely. Such claims are not verified and may well turn out to be wrong. Seedlings can die; they can be destroyed by fire and so on. These schemes lend themselves to fraud and double counting and they reduce the credibility of forestry offsets. Landcare Car-

bonSMART believes that the practice of forward loading should be banned and that carbon credits should be based on year-on-year outcomes against established baselines, much like the evidence that the Joint Standing Committee on Treaties heard in relation to savanna burning.

This bill will amend the administration of the National Greenhouse and Energy Reporting Act and make modifications to what information can be published by the government under the act. The act has established a national mandatory corporate reporting system for, and dissemination of information related to, greenhouse gas emissions and energy consumption and production. The reporting obligations under the act will lay the foundation for the proposed Carbon Pollution Reduction Scheme which will be introduced in 2010 and they will also assist the government to meet Australia's international reporting requirements.

I think that most corporations want and need to be able to play their part in the effort to reduce our greenhouse emissions, and the National Greenhouse and Energy Reporting System will provide a framework for them to better understand their greenhouse gas emissions and energy use profile. The system will provide the government with a better understanding of corporate greenhouse gas emissions and energy use to target efficient action to address climate change. This knowledge is fundamental to identifying effective ways to manage and reduce greenhouse gas emissions.

Many leading Australian businesses are already there and many of them have been there for years. They have realised that this is coming and they have been taking action to measure and manage and report their greenhouse gas emissions. Data collected by the National Greenhouse and Energy Reporting System will facilitate policy making on

greenhouse and energy issues. The data will be available to state and territory governments and to the Australian public to inform effective climate change action at all levels in Australia.

An important goal of the system is to eliminate the duplication of industry reporting requirements under what is an existing patchwork of state, territory and Commonwealth greenhouse gas and energy programs. It provides a repository for data which may potentially serve the needs of all Australian governments. The government is working with the states and territories through the Council of Australian Governments to identify opportunities for streamlining national reporting requirements via this system.

The amendments set out in the bill are for the most part administrative amendments to improve the functions of the act. They do not impose any new regulatory burdens on industry, nor do they have a budgetary impact. In some cases the amendments are required to better reflect the original policy intent behind the act when it was introduced. In other cases the administrative amendments will increase flexibility for business to comply with the act.

This is an important reform. It will provide the government with a solid platform for the Carbon Pollution Reduction Scheme. I believe that there are enormous economic opportunities from responding to climate change and that we as a community must invest in a response to climate change so that we are prepared for the future and prepared to confront it as an economic challenge. And responding to it is all about economic responsibility. Unfortunately, as I indicated yesterday, those opposite are not willing to deal with this in an economically responsible way. They continue to look for a political angle to exploit rather than real policy solutions.

This is a government which has a comprehensive plan, in the tradition of reformist Labor governments, to genuinely address the issue of climate change. I said yesterday in the House—I have said it before and I will say it again—that global warming is the great challenge of our time. It is the ‘what did you do during the war?’ question that our children and grandchildren will ask of us. The national greenhouse emissions reporting scheme is a step in the right direction and I commend the bill to the House.

**Mr HARTSUYKER** (Cowper) (5.37 pm)—I welcome the opportunity to speak on the National Greenhouse and Energy Reporting Amendment Bill 2008 today. The bill will make amendments to the National Greenhouse and Energy Reporting Act, which was put in place by the coalition government last year. These amendments will simplify the reporting requirements of corporations and cut red tape by simplifying the regulatory burden and increasing the flexibility associated with the registration of corporations under the act by confirming that the obligations of a registered corporation to comply with an external audit extends also to the corporation’s group and clarifying the provisions relating to the reporting of greenhouse gas projects and offsets of emissions.

This bill also gives greater power under the act for the government to make mandatory and separate public disclosure of direct and indirect greenhouse gas emissions and confirms the ability of the minister to specify conditions for the use of alternative methods to calculate greenhouse gas emissions and allow publication of information relating to those methods.

Debating this bill provides an opportunity to examine what the current government is doing in relation to the planned emissions trading scheme. As members would be aware, the coalition has a strong record in

relation to an emissions trading scheme. Indeed, the National Greenhouse and Energy Reporting Act, which was put in place last year, provided the platform for the introduction of an ETS. The reporting system that was put in place by the act was formulated after extensive consultation with stakeholders. This is an important point because having open discussions between government, industry and the community is vital to the success of any emissions trading scheme.

However, since it was elected to power last November the Rudd government has displayed a concerning pattern of behaviour. Across a range of portfolios there are numerous examples where Rudd government rhetoric is not being matched by its actions. In fact, in many cases the actions of this government directly contradict its rhetoric. This is causing tremendous uncertainty for many Australians and is further undermining business confidence, which we are all aware has collapsed since this government came to office. In challenging economic times, people turn to their national government seeking certainty, seeking reassurance and seeking leadership. It is a sad reality that the current government is failing to deliver in these critical areas. Indeed, the Prime Minister is relying on spin and hollow rhetoric in order to ignore the substance which is necessary in key areas of policy. The Rudd government’s approach to the environment is a perfect example of this. On the surface we see the Prime Minister prancing around the world stage, extolling the virtues of addressing climate change. According to the Prime Minister, the world is on the precipice of an Armageddon because of greenhouse gas emissions. Anyone who questions the PM’s position is derided as a denier, a sceptic who has their head stuck in the sand. But when you look past the Rudd government rhetoric on the environment, a different picture emerges.

For example, one of the solutions to reducing the CO2 emissions from households is the adoption of solar technology. Prior to the election, Kevin Rudd travelled the country talking about the merits of solar power. Encouraging more Australians to adopt solar technology was a more sustainable way to deliver clean energy to households than coal or other alternatives, said the Prime Minister. Yet behind all the hot air there was precious little substance, because on budget night in May this year the Rudd government announced that it would means-test the solar rebate. Quite clearly that rebate was not a matter of social security; it was designed to engender a course of action to encourage households to take up solar energy. But what does means-testing it for families earning over \$100,000 a year do? Is that going to increase our take-up of solar energy and solar technology? Is that going to buttress our response to climate change? Quite clearly it is not. The introduction of the means test shows the hypocrisy of this government. On the one hand it will tell you that solar power is the solution, whilst on the other hand incentives are only available for families that earn less than \$100,000 per year. This is classic spin from the Prime Minister. When you look at his government, it is important that one does not listen to what it says but rather looks at what it does.

Across the environment portfolio there are other examples of hypocrisy. For example, this government has scrapped the Community Water Grants program, which provided almost 8,000 community groups, including many schools, with grants to improve water efficiency. The \$200 million program set up by the Howard government provided grants of up to \$50,000 to community groups to help them save water through projects such as harvesting rain or stormwater. It was a very popular program and it reflected the desire of Australians to better manage such a

vital resource. So what did the Rudd government do once it was elected? It trumpeted the need for better water efficiency and then it closed down the Community Water Grants program. There are other examples where this government's rhetoric on the environment is not being matched by its actions. Cuts to Landcare funding are another example of the Rudd government failing to deliver improved environmental outcomes.

It is against this backdrop that Australians are starting to get very concerned about the Rudd government's rushed introduction of an emissions trading scheme. Australians are quite comfortable about the introduction of an ETS but they want the government to get it right. They are depending on their government to get it right. It is important that an ETS does not simply move jobs offshore. It is important that an ETS does not simply redistribute the carbon load, as it were, to another country. We have to have a scheme that works, not a scheme that is founded only on rhetoric.

It is essential that pensioners and families are not unfairly burdened with substantial increases in the cost of living. I know that in my electorate of Cowper there are many pensioners who are genuinely concerned about the haste with which the Prime Minister is seeking to introduce an emissions trading scheme. They are acutely aware that the government is trying to spin the line that an ETS can be introduced without having a detrimental impact on low-income families. They are also aware that the Rudd government has this propensity to say one thing and then do another. And all the signs are there that the introduction of an ETS will be no exception.

Look behind the gloss of the ETS green paper and there are some worrying signs. For example, the Rudd government plan to introduce a new tax on petrol but they have delayed its introduction to after the next elec-

tion. Also, if you look at the issue of LPG, the cleanest version of fuel that is going to run our cars, it is going to be hit with a brand-new tax. What is the logic in imposing a new tax on a cleaner fuel? It defies logic—it really does.

The introduction of a carbon tax will also push up the price of virtually all consumer goods. Electricity, groceries and other consumables will rise under the Rudd government's emissions trading scheme. This is in stark contradiction to the rhetoric used by Kevin Rudd, who went to the election last year leading Australians to believe that he was going to deliver cheaper petrol and cheaper groceries. And what did we get? We got Fuelwatch, hardly a leading light in policy formulation, and we got GROCERYchoice, derided by the entire grocery industry as nothing but a farce.

Despite the hip-pocket assault on Australians, the Prime Minister has refused to explain who will be compensated for the extra cost-of-living pressures and by how much. The government have adopted a very underhanded approach to the whole consultation process. They have released a green paper and announced that they will be consulting with stakeholders, but they have refused to release the modelling upon which the emissions trading scheme is based. It is beyond belief that industry and consumer groups are expected to finalise their submissions when the government have not released the modelling upon which the emissions trading scheme is based.

The ETS represents one of the biggest structural changes in Australia's history. A decision to introduce an ETS should not be taken lightly and requires proper consultation and consideration by all Australians. That is why the coalition believes that government should take its time to get the detail right and look towards introducing a scheme by 2012.

Australia runs the risk of paying a very high price for the hasty introduction of a scheme in 2010. What is the magic in a 2010 start date? Is it written in stone somewhere that we have not seen? Why does the date have to be 2010? Why do we have to throw caution to the wind in order to get a start-up date of 2010?

Australians know that the coalition is better able than Labor to run an economy and better able to implement an emissions trading scheme which does not harm that economy. Harming the economy will reduce the standard of living of the present generation of Australians and future generations of Australians while not providing a meaningful reduction in the world's greenhouse gas emissions. It is vital to the Australian economy that we do not get too far ahead of the rest of the world. We need to play our part, we need to be part of an international effort, but we as a nation cannot stand alone. Mitigation of greenhouse gas emissions can only occur if there is a truly global response. The size of emissions reductions in Australia should be influenced by international developments and in particular the evolution of global emission reduction agreements which include all of the large emitters, such as China, the USA, India and the European Union.

The Rudd government seems intent on setting an emissions target that ignores what the rest of the world does. This means that Australia could bear a disproportionate burden of reducing the world's emissions, and this could significantly reduce our leverage in international discussions. The government's ETS needs to deal better with uncertainty. The effect of the ETS on prices, inflation and compensation needs will fluctuate on a daily basis. The government has not made it clear what will happen if it designs a compensation regime at a carbon price of \$20 per tonne, for example, and the cost of

carbon rises, as it invariably will. Would low-income families fail to be compensated by an increase in the carbon price? Will they just have to bear that cost? We just do not know what the government is planning there. With global inflationary pressures being felt, it is vital that the implementation of an ETS is managed carefully so as not to increase inflation and inflationary expectations with the result of higher interest rates. So it is important that the government takes its time to get the structure and detail of an ETS right.

To return to the intention of this bill, the coalition supports these amendments because they build on what the Howard government put in place. When it comes to an ETS and the emission of greenhouse gases, the coalition is committed to striking a balance which recognises the environmental challenges of our time but respects the need to get the detail right. The Rudd government in this case seems to present the ETS as some form of magic pudding—a magic pudding where everybody benefits and nobody seems to pay, where everybody is compensated but no-one foots the bill except for governments and corporations. And that is far from the truth. The cost of carbon emissions will be borne by the whole of the Australian economy—every company, every government department and every individual consumer. The Rudd government has to take the time to get an ETS correct so that it does the least damage to our economy whilst achieving the environmental outcomes that are required.

It was interesting to note an interview on ABC radio where Paul Howes, the National Secretary of the AWU, raised his concerns. He is hardly typically a supporter of the conservative side of government. He said:

If Ross Garnaut was implemented without any amendments then I would see large proportions of trade-exposed industries in a state like South Australia going offshore, particularly industries like LNG oil and gas, and cement. You've got severe

impacts on the Whyalla steelworks, and I think a lot of people in the community don't understand that what we'll be actually doing is just closing industries for good, but actually closing these industries and they will be reopening overseas. The level of greenhouse gases will still be being pumped into the sky.

It is an important decision for Australia. The government needs to get that decision right. It should not be rushing to complete an ETS by 2010. Such haste is not in the best interests of Australia. I commend the bill to the House.

**Ms NEAL** (Robertson) (5.51 pm)—I rise in support of the National Greenhouse and Energy Reporting Amendment Bill 2008. The bill provides amendments to the National Greenhouse and Energy Reporting Act 2007. This Australian government is committed to reducing greenhouse emissions, which is quite contrary to the intentions of the previous government. This bill is a further step in the Rudd government's commitment to addressing climate change.

In the electorate of Robertson, which I have the pleasure to represent, climate change is a real and important issue. Located between the Brisbane Water and the South Pacific Ocean, Robertson's rapidly growing population lives close to the problems of climate change. The coastal environment of the Central Coast is fragile and under increasing population pressure. Residents there will be among the first to be affected by climate change. Coastal erosion and rising sea levels are just two of the consequences that will bring the reality of climate change home to the residents of my electorate. In Robertson, climate change is not just some esoteric, academic argument, as we sometimes have about these sorts of issues. It is very real and it has the potential to have an impact on the lives of my constituents. So it is vital that the Rudd Labor government continue to take bold action on climate change.

The other day I had the pleasure of addressing Broken Bay's community organisation. Broken Bay is a little enclave community along the border of the Brisbane Water. It only entails about 600 houses but, on a rough calculation, I think we worked out that with a one-metre rise in the water approximately two-thirds of those houses would be underwater. So you can see that this issue very much has their attention.

In meeting the challenges of climate change, it is important to look at measures such as we have today. Robust, accurate and reliable data is essential to achieving this goal in the most efficient and effective way. The National Greenhouse and Energy Reporting System, NGERS, will collect data across the Australian economy which will form the basis of the emissions trading scheme and provide better information to the public. The first reporting period under the system commenced on 1 July 2008. NGERS establishes the framework for mandatory reporting of greenhouse gas emissions, energy production and consumption by industry. Corporations which exceed certain thresholds are required to apply to register under the system by 31 August 2009 and to provide data concerning these emissions and energy use commencing in the 2008-09 financial year. The first corporation reports by industry are due by 31 October 2009. The original act established a national mandatory corporate reporting system and dissemination of information relating to greenhouse gas emissions, energy consumption and production.

I noted the comments of the previous speaker, who said that what we should be doing is delaying. My view is quite the contrary; we have delayed enough. It is time, after careful thought and consideration, to proceed to take action and not wait another two years or another two years after that, or

whatever delaying tactic is put forward by this opposition.

The reporting obligations under the act are intended to lay the foundations for the proposed national emissions trading scheme due to be introduced in 2010. One of the objects of the act was to introduce a single national framework to underpin the introduction of the emissions trading scheme in the future. Both the Garnaut climate change review and the carbon pollution reduction scheme green paper state that, although the National Greenhouse Energy Reporting Scheme will be the basis for the carbon emissions scheme, it will need to be strengthened to support the special financial importance attached to the emissions reported under the scheme.

The bill before the House brings that strength to the original act and makes significant and essential enhancements to it. The act requires mandatory reporting of greenhouse gas emissions and energy data by large corporations. The bill expands the amount of corporate information which will be published by the government. In other respects, the bill is consistent with existing policy. In some cases, the amendments are to ensure the act better reflects the original policy intent. The bill imposes no regulatory burden on industry beyond that originally intended by the act, and the measures will not have a budgetary impact on the government.

There are a range of specific enhancements to the act that are contained in the bill. They will make mandatory the separate disclosure of direct and indirect greenhouse gas emissions. The bill will allow the minister to specify conditions, rating systems and the particular rating for the use of alternative methods to measure greenhouse gas emissions. The bill will allow publication of information relating to those methods of meas-

urement where the use of those methods satisfies the conditions. The bill will extend the obligation to comply with an external audit to members of a registered corporations group. The bill will also amend provisions relating to reporting requirements.

The NGERS will eliminate industry reporting requirements that are currently duplicated under a patchwork of existing state, territory and Commonwealth greenhouse gas and energy programs. It will allow more flexible and streamlined methods by which corporations must publicly disclose their greenhouse gas emissions and energy use and the methods used by the corporation to calculate those emissions and uses.

The bill will also provide some clarifications about what can be publicly disclosed, including: allowing the publication of data according to a corporation's business units; confirming that totals may, in certain cases, be published as falling between a specified range of values to avoid revealing trade secrets or commercially sensitive information; and allowing publication of information relating to emissions offsets undertaken either by the corporation or by other entities on its behalf.

This last provision will allow offsets to be reported separately from greenhouse gas projects. Just to be clear about this point: currently the act only allows offsets to be reported if they arise from a project carried out by the corporation reporting. This would exclude the possibility of reporting offsets created by the activities of a different corporation—for example, where an airline is offsetting its emissions via the planting of trees or other activities undertaken by a third party. Corporations can apply to have information withheld from publication if it reveals trade secrets or commercially sensitive information. This measure will be expanded

to cover the new matters which are subject to publication.

The bill will allow the minister to specify conditions for methods of measuring greenhouse gas emissions and energy and to specify a rating system for such methods. Any reports made in future will need to meet any such conditions. The bill will make a number of amendments to the provisions dealing with the registration of corporations. The effect of these amendments will be to allow the making of simpler regulations for applications for registration.

The bill makes a number of other clarifications. These are quite minor and include: ensuring that members of a controlling corporation's group comply with an external audit, confirming that 'penalty unit' has the same meaning as that imposed by the Crimes Act and ensuring that a contractor to a member of a controlling corporation's group report their emissions directly to the government.

The bill also allows the Greenhouse and Energy Data Officer, a statutory official under the act, to delegate their powers under regulations. The enhanced reporting system in this bill will streamline the existing greenhouse emissions and energy reporting requirements on businesses across Australia. As well as making these requirements more transparent and easier to follow for the businesses concerned, the amendments within the bill will provide greater public access to the methods by which business calculates emissions and energy use. They will also allow greater public access to information about important changes in Australia's response to climate change.

Most significantly, the amendments will replace a patchwork of existing greenhouse emissions and energy use requirements currently in force across Australia. This will ensure that consistent, reliable and readily

comparable data on emissions is available to the users, the regulators and the public at large. In this way, the Rudd Labor government is further ensuring that Australia can move forward in its commitment to reducing greenhouse emissions. Corporations will benefit from a greater public understanding of how their emissions profile is composed rather than from the publication of a single total.

The bill also allows corporations to disclose to the public the methods used to measure their emissions and for the accuracy rating of methods to be disclosed publicly. This will lead to far greater transparency concerning the accuracy and reliability of data published. The bill makes the National Greenhouse and Energy Reporting System simpler to administer and also more effective. It will provide clarity for industry and greater public access to information. I am very thrilled to be part of this government which is taking action on climate change and on reducing greenhouse emissions.

**Mr ROBERT** (Fadden) (6.03 pm)—I rise to support the National Greenhouse and Energy Reporting Amendment Bill 2008. The bill makes minor administrative amendments to the National Greenhouse and Energy Reporting Act, which was introduced of course by the coalition government last year. The aim of the amendments is to simplify the reporting requirements of corporations by reducing red tape, by simplifying the regulatory burden and by increasing flexibility associated with the registration of corporations under the act, confirming that the obligations of a registered corporation to comply with an external audit extend also to the corporation's group and clarifying the provisions relating to the reporting of greenhouse gas projects and the offsets of emissions.

The bill also gives greater power under the act for the government to make manda-

tory the separate public disclosure of the record of direct and indirect greenhouse gas emissions. It confirms the ability of the minister to specify conditions for the use of alternative methods to calculate greenhouse gas emissions and allows publication of information relating to those methods. The opposition supports these changes to a bill that we introduced while in government as part of the framework required to eventually introduce an emissions trading scheme.

It is worth while pondering the coalition's record on climate change because, contrary to Labor Party rhetoric and some opinion, the coalition's record is exceptionally strong. We established the first greenhouse office in the world. Over the past 11 years Australia has reduced its greenhouse gases by over 85 million tonnes of carbon dioxide, allowing Australia to be one of only two countries, out of 178 states, to meet its Kyoto targets. We led and funded a global initiative on forests and climate. We introduced the renewable energy development fund to support emerging technologies. We provided enormous support for individuals and community groups, taking action through programs and initiatives such as the solar rebate, Solar Cities, the solar hot water rebate, community water grants and Green Vouchers for Schools.

We believe that we need to give the planet the benefit of the doubt. We are committed to an ETS, informed by the Copenhagen meetings at the end of 2009, with a start date no earlier than 2012, with a low and slow trajectory that does not leave our industry open to neglect, disempowerment and indeed destruction. The opposition supports a sensible, well-thought-through, timely ETS. However, we as a parliament should learn from the mixed results coming out of the European Union's experience with an ETS and should acknowledge the consequences of rushing an ETS and not getting it right. The European

Union's emissions trading system is the largest multinational emissions trading scheme in the world. It is a major pillar of EU climate policy. The ETS currently covers more than 10,000 installations in the energy and industrial sectors, which are collectively responsible for close to half of the EU's emissions of CO<sub>2</sub> and for 40 per cent of total greenhouse gas emissions, including methane and nitrous oxide.

The British think tank, Open Europe, says the following when reflecting upon the European ETS experience:

The first phase of the EU's Emissions Trading Scheme (ETS), which ran from 2005 to 2007 was a failure. Huge over-allocation of permits to pollute led to a collapse in the price of carbon from a start point of €33 to just 20 cents per tonne, meaning that the system did not reduce emissions at all.

Worse still, since some countries, such as the UK, had set tough quotas on emissions and others had set lax targets, the system acted as a wealth transfer mechanism—effectively subsidising polluters in states which were making little effort by taxing states with more stringent allocations. Overall there are about six per cent more permits than pollution. The UK has to buy more than 22 million tonnes worth of permits a year, whilst firms in France and Germany can sell off a surplus of around 28 and 23 million tonnes respectively.

Finally, in phase one, the ETS was not a real market. Instead of auctioning off permits to pollute, member states allocated them to companies free of charge, based on how many the government believed they needed. This created severe distortions. Large companies which lobbied for more permits than they needed were able to sell them at a profit. Other institutions, particularly smaller institutions like hospital trusts, proved less effective at lobbying. They got too few permits, and therefore had to pay into the sys-

tem. As the cross-party Commons Environmental Audit Committee noted:

There is little or no evidence that phase one is leading to any cutbacks in actual emissions at all, whether in the UK or elsewhere in the EU.

In its first year of operation, from 2005 to 2006, emissions covered by the ETS rose 3.6 per cent in the UK and rose by 0.8 per cent across the EU as a whole. What is the European experience that—heaven forbid—this Labor administration could actually learn from? Emissions have not decreased; they have increased, and permits have begun to be a cash cow. This is one example of an ETS put in too fast without the proper rigour or intellectual exercise made to put it in properly.

We support in principle a national carbon emissions trading system. However, there can be either an effective or, as the European experience shows, an ineffective system, depending on the competency and sensitivity of the implementing government. An ineffective system can perversely damage the clean energy sector while also punishing mums and dads with a petrol tax and a grocery tax. Sadly, both of those flaws are precisely what the Rudd government is proposing, making its system an ineffective one, delivering pain without any gain.

A decision to introduce an ETS should therefore not be taken lightly. It requires proper consultation and consideration by all Australians. We must work collectively to preserve our environment. However, we must guard against those who would act in such rash haste that they would export both Australian emissions and jobs overseas—particularly to countries with lower environmental standards. We want to build the Australian economy; we do not want to build the Chinese one. With the recent release of its green paper on emissions trading, setting a start date of 2010, it has become apparent

that the Rudd government is intent on rushing into a scheme that has the potential to seriously damage Australia's economy.

As this government races towards implementing an ETS in 2010 as another symbol, the clean-driving LPG sector is at substantial risk of being the first and highest taxed fuel because, frankly, the Labor government forgot to consider it. The clean-burning LNG sector is facing doubts about investment and jobs, and therefore its ability to reduce emissions in China and India, because the government has not thought through its new tax as it pertains to LNG. Gas is a vital transitional fuel. It is a very clean fuel—much cleaner than burning coal. Every shipment of LNG that leaves Australian shores for parts of the world like China or Japan reduces greenhouse gas emissions in those countries and, therefore, benefits the wider world community.

The poorly designed, rushed emissions trading scheme being prepared by Mr Rudd is going to put this investment—billions of dollars of investment and thousands of job—at grave risk, on top of the already incompetent moves to try and prepare a new tax on the condensate field without announcing to the Australian people that the government was intending to do so. It is not a good move for our economy and it is not a good move for the environment. If we put a heavy carbon tax on the LNG industry that is not matched by a similar carbon tax in areas such as the Gulf and countries such as Nigeria and Indonesia and other countries with which we compete, then we will see investment move away from Australia in the LNG sector. The consequence will be quite catastrophic for this industry sector, with fewer jobs and less economic activity in Australia—but we will have the same amount of emissions just going up into the sky from another location. So this emissions trading scheme has the potential to do great harm to

the Australian economy if it is not designed well. It has to be designed in a way that is both economically responsible and environmentally effective—and, so far, the Rudd government's plan is showing itself to be neither.

The solar panel sector is a good example of a sector in freefall, and the government has continued to ignore the damage it has caused with a mean-spirited solar rebate means test. Before the election, you could not spot various shadow ministers without a solar panel strapped to their backs—including the member for Kingsford Smith. But the first thing the member did when he came in was to remove any incentive for a solar panel industry to grow and expand within the Australian economy.

Industry, farmers and the community are being forced to make decisions before the government even releases its economic modelling. This begs the question: on what basis are these decisions being made and on what basis are the submissions to be informed? It is patently ridiculous and, as we can see from the LNG sector, it potentially signals disastrous consequences.

The coalition's policy is that we cannot risk getting the ETS wrong by rushing it simply to meet an arbitrary political timetable set by the Prime Minister ahead of the election. We believed, based on the best advice available to us then, and still now, that a scheme could not responsibly be put in place before 2011—and probably by 2012—though it should not be constrained by time to ensure it is implemented properly. By that time, industry will have had a chance to properly respond to and prepare for the changes that will be required. It goes without saying that it would be incredibly helpful if the Rudd Labor government would release the economic modelling on which Treasury based many of its forecasts. Keeping in mind

that an ETS is not a silver bullet, it needs to be implemented in line with a range of other technologies, processes and procedures that include clean coal and a move towards more reliant fuels.

With respect to solar panels, may I urgently say in the House that the Rudd Labor government must remove the means test on the solar rebate. Despite the minister for the environment's claims of overheating in the scheme, I can relay to the House the experience of a solar panel provider in my electorate of Fadden, Ecotech, headed by Paul McLoughlin. The move to means test the solar rebate has meant business by the firm has dropped by over 50 per cent, with the resultant reduction in staff numbers. Whilst the Deputy Prime Minister could not bring herself to announce what she knew, it has already been announced in the Labor budget that 134,000 jobs will go this financial year because of its economic negligence, and moves which take away the rebate in the solar industry only exacerbate the problem that already exists. The means test makes a mockery of the need for clean energy—an absolute, total, complete mockery. I demand that the government reassess its view. Industry demands it. Small businesses that make a living from this demand that they take away the means test that is stripping the solar industry away from the Gold Coast and hurting companies like Ecotech that have led the way in cleaner, greener energy.

The Rudd Labor government has failed to deliver real benefits to the renewable energy sector, such as solar and geothermal energy, by failing to adequately budget for and support initiatives that encourage Australians to take up clean energy sources. Whilst the government's small changes within the bill are acceptable and supported, it is important that the House acknowledges that the government's ill-conceived rush to an ETS, based on a political imperative and motive

without proper thought-through policy and economic frameworks, is propelling our nation towards a degree of economic disaster.

**Ms BURKE** (Chisholm) (6.17 pm)—I am glad the member for Fadden finally realised what bill he was actually talking to and remembered that the government bill before the House is being supported by the opposition. Indeed, we are amending an act that was introduced by the Howard government in its last term of parliament. I suppose the one good thing is that when the ETS legislation is introduced he will already have his speech to give, because he has just given it now.

It has been quite interesting listening to this debate. The opposition members have not talked about the substance of the National Greenhouse and Energy Reporting Amendment Bill 2008 or come to the realisation they are actually in support of the changes to their initial act. As I said, it will save them all a lot of time when they finally get around to the ETS legislation. I am glad they are thinking about it, because for 12 years they did not think about it, and that is why there is a need for urgency. That is why there is a need for a rush—because of the inertia on this issue. This issue is too great for us to play politics with. The thing that the opposition has not realised is that the public out there are saying, 'Please stop playing politics with this. It is about our environment. It is about our future.' For most people it is about their kids and their grandkids, and they want to see us all come together and do something rational about it.

Professor Barry Brook is the Sir Hubert Wilkins Chair of Climate Change and the Director of the Research Institute for Climate Change and Sustainability at the University of Adelaide. After the Manning Clark House conference, he said:

The Manning Clark House Conference: Imagining the Real Life on a Greenhouse Earth is quite unusual for a climate change conference—perhaps unique.

... a representative cross-section of the views and perspectives of the wider community, who shared a common concern—the severity of the problem of global warming and the absolute urgency of the need to take action to avoid dangerous consequences. That is what makes this joint statement (approved at the conclusion of the meeting by the conference speakers and other participants) so powerful. When confronted with the immediacy of this issue and a realistic vision of possible futures under unmitigated carbon emissions, the consensus for a rapid societal response was overwhelming. There is no time to lose.

The joint statement from the conference reads:

Global warming is accelerating. The Arctic summer sea ice is expected to melt entirely within the next five years,—decades earlier than predicted in the 2007 Intergovernmental Panel on Climate Change (IPCC) 4th Assessment Report.

Scientists judge the risks to humanity of dangerous global warming to be high. The Great Barrier Reef faces devastation. Extreme weather events, such as storm surges adding to rising sea levels and threatening coastal cities, will become increasingly frequent.

There is a real danger that we have reached or will soon reach critical tipping points and the future will be taken out of our hands. The melting Arctic sea ice could be the first such tipping point.

Beyond 2°C of warming, seemingly inevitable unless greenhouse gas reduction targets are tightened, we risk huge human and societal costs and perhaps even the effective end of industrial civilisation. We need to cease our assault on our own life support system, and that of millions of species. Global warming is only one of many symptoms of that assault.

Peak oil, global warming and long term sustainability pressures all require that we reduce energy needs and switch to alternative energy sources. Many credible studies show that Australia can quickly and cost-effectively reduce greenhouse

gas emissions through dramatic improvements in energy efficiency and by increasing our investment in solar, wind and other renewable sources.

The need for action is extremely urgent and our window of opportunity for avoiding severe impacts is rapidly closing. Yet the obstacles to change are not technical or economic, they are political and social.

We know democratic societies have responded successfully to dire and immediate threats, as was demonstrated in World War II. This is a last call for an effective response to global warming.

[Approved by the delegates of the conference, 12 June 2008]

That is why we need to take urgent action and that is why this bill is before the House today—to make amendments to an act which was, as I said, introduced by the previous government, to make amendments to the National Greenhouse and Energy Reporting Amendment Act, because we need that reporting and data to start a system. We need to collect the data so people can understand.

The National Greenhouse and Energy Reporting System will collect robust and comparable data across the Australian economy which will underpin the emissions trading scheme and provide better information to the public. We need to have that data. It is one of those ‘tipping points’, as it keeps being described in the terminology of climate change, so that is why this bill is so important.

The bill amends certain things. It will expand the number of items which can be published relating to a corporation’s greenhouse gas emissions and energy use, including separate public disclosure of direct and indirect emissions. There are some very good schemes already being undertaken by socially responsible companies who are doing great trade-offs, and they should have the ability to have those schemes reported.

The bill will also provide some clarification about what can be publicly disclosed, including allowing publication of data ac-

cording to a corporation's business unit confirming that totals may be published as falling between a specified range of values, in cases, to avoid revealing trade secrets or commercially sensitive information allowing publication of information relating to offsets. People want to know this information. People are actually looking for this in the area of investment and also in the area of purchasing power. Corporations can apply to have information withheld from the public if it would reveal trade secrets or commercially sensitive information. This will be expanded to cover the new matters which are subject to publication.

The bill will allow offsets to be reported separately from greenhouse gas projects. Currently the act only allows offsets to be reported if they arise from a project carried out by the corporation. This will include the possibility of reporting offsets created by other activities that we have already seen corporations doing.

Why do we need this information? Why do we need this data? One of the things disclosed in the bill is information that the public needs. But I have discovered that our schoolchildren do not need this information. On this issue they are among the most well-informed people I have come across. I would like to read from one of the letters I have received from a grade 5 student at Our Lady's Primary School in Wattle Park. All of the grade 5s wrote to me. There were some fantastic letters, but this one is a standout. They were all terrific, but Annabelle's was quite amazing:

Dear Ms Burke,

This term, my class has been learning about energy and power.

Energy is vital. We use it in everyday living. We have a big problem though. We use power so much and most of our energy comes from burning coal that we are having a really bad impact on our environment. We also need to use our cars less. If

we don't do something now, we may have some trouble in the future. Each household releases 200,000 black balloons per year, each black balloon contains 50 grams of greenhouse gas, so each household produces 10,000,000 (ten million) grams of greenhouse gas each year, but just think about it, that's only one household!

After thinking about what might happen to our world, I have thought of some ways to conserve energy and to make our future better. I think that at least more than 5 schools in Whitehorse should have some sort of renewable energy source. Any source would be fine but my preferred energy source is biomass because it's doing a few things at once. It's reducing the amount of waste and greenhouse gas. Biomass energy is made from landfill. They use things like manure, wood, seaweed, plants, food scraps and rubbish. When we throw rubbish away, at one stage it will be put somewhere and begin to rot. It's known as landfill. As the rubbish begins to rot, it creates a gas. Normally, this gas would just seep into the ground and out into the atmosphere, causing global warming, but biomass reduces that. It is still being fully developed so we might have to use another energy source.

We could have another earth hour, it will reduce some greenhouse gas. We need to do everything we can to save the environment or the following might happen:

- Antarctica is melting and so are the glaciers, which will make our sea level rise and cause floods.
- We won't get enough rain and all our crops and animals will die which will be hard for farmers.
- Our climate will change.
- San Francisco will sink.
- Essential things will run out like coal, oil and gas.
- Some animals may die out (extinct).

So please, I hope you can be more environmentally aware and help people realize that we need to be more aware about the environment and conserve energy.

I hope you can do some more about our terrible effect on our environment.

Please do something!

I hope you can write back soon!

Keep up the good work! You're doing really well!

Yours sincerely,

Annabelle ...

11 years of age, grade 5

Student at Our Lady's Wattle Park

It is pretty remarkable that an 11-year-old at Wattle Park understands this concept better than most of the members of the opposition do. There is another terrific letter, from Isobel. Her father is involved with a steel company and he came and spoke to the class about environmentally friendly products. There is a letter from Laura. There is a letter from Jonathan. There is a letter from someone who, sadly, did not sign his name. There is a letter from Kate.

I went to visit the grade 5s at Our Lady's Primary School in Wattle Park and we had one of the most enlightened discussions I have ever had about climate change and environmental issues. They wanted to know more information. One of the sad parts, though, was at the end, when the teacher told me that some of the kids are having nightmares about this issue. They are having scary dreams and thoughts about what their world will be like if we politicians do not address the problem of climate change. Reading this information frightens some of the kids so much that 'we're trying to tone it down a bit'. I thought that was just terrible.

The grade 5s at Our Lady's Primary and many other schools in my electorate are doing some of the best work on sustainability and dealing with the impact on the environment of the way we live our lives. It is a testament to what we can do by providing information and by learning from our children. I had a great day with them and I want to thank them for bringing their concerns to my attention. But I do not want to have 11-year-olds being scared about their future. I want to

introduce legislation such as the legislation we have before the House and do something about it. I do not want to be terrified of going into the breach. If we do not go into the breach, what are we leaving our children and grandchildren?

I had the pleasure recently of visiting the Monash Sustainability Institute, which is in my electorate of Chisholm. The Monash Sustainability Institute is a terrific organisation. If anybody gets the chance, I would really recommend they go down and have a look at the institute and the school education unit. The Monash Sustainability Institute delivers solutions to sustainability challenges through research, education and action. For government, business and community organisations, the MSI is a gateway to the extensive and varied expertise in sustainability research and practice across Monash's faculties and research institutes.

In the early 1970s, Monash University was among the first universities in Australia to begin research on environmental issues. Building on this history, the MSI brings together sustainability researchers and practitioners from across Monash and beyond to work together to promote sustainable practice by individuals, organisations and communities.

The MSI is a multidisciplinary, cross-faculty institute that coordinates, strategically guides and represents the wealth of sustainability expertise in Monash's faculties and research centres. The three core functions of the MSI are research, education and action. They really want to put those things into place. They want to coordinate cutting-edge, cross-disciplinary research on today's sustainability challenges. They want to educate individuals and institutions in sustainability best practice. They have a terrific program which students do in addition to their actual course load. They electively un-

dertake this program. This program has been given to students and corporations. I really recommend that people look it up and I encourage people to partake.

The MSI facilitates actions by individuals and organisations to embed sustainability into their future goals and present activities. The global challenges we face pay no heed to the boundaries between academic disciplines or between universities, governments and the community. Meeting the sustainability challenges of the 21st century requires new forms of collaboration and inquiry that encompass environmental, social and economic dimensions and that engage all relevant stakeholders. The MSI is committed to such an approach.

The MSI is directed by Professor David Griggs. Professor Griggs previously led the secretariat for the science working group of the United Nations Intergovernmental Panel on Climate Change, which was the joint winner of the 2007 Nobel Peace Prize, and was director of the Met Office Hadley Centre, the UK government's official centre for climate change research.

So we have sitting in our midst one of the leading experts on climate change. He is leading this interdisciplinary group at Monash, which is working collaboratively with the CSIRO and with other universities across Australia on research into this area. The data that will be captured from the bill before the House will be a vital tool in the work they are doing at the sustainability centre, because they want to do more than research it; they want to put it into action.

One of the issues we discussed extensively at the MSI when I was there recently was the economics of this argument. I would have thought that the opposition got the concept of the economics of the argument, but they are not even talking about it. The MSI are concerned that we are not looking at the

economics issue. I think we are, but they believe more needs to be done. In a paper they have provided to me they say:

Not only is climate change the pre-eminent environmental threat in the world today, it is also a major economic challenge. The 2006 Stern report on the *Economics of Climate Change* declares that climate change threatens to be the greatest and widest ranging market failure ever seen. Stern stated that, 'our actions over the coming few decades could create risks of major disruption to economic and social activity, later in this century and in the next, on a scale similar to those associated with the great wars and the economic depression of the first half of the 20th century'. Since then the Intergovernmental Panel on Climate Change (IPCC) has released its *Fourth Assessment Report*, with projections that up to 250 million people may be short of water in Africa by 2020 and up to one billion may be short of water in Asia by the 2050s.

The paper goes on to put the case for greater modelling of the economic consequences of inaction on this issue. It notes that it is quite a difficult thing to do but that we need to get onto it. It talks about the Garnaut review and the nature of modelling that it undertook, saying the review acknowledged that:

The nature of the modelling undertaken by the Review does not allow for feedback of impacts from climate change in an internally consistent or integrated way. The domestic economic modelling framework is a traditional market model. It does not explicitly account for feedback from environmental changes to changes in economic factors or activity.

The paper says:

The Garnaut review is not the only modelling team to have struggled with these challenges. In the recent *OECD Environmental Outlook* for example, while economic and population growth are fed into the environmental models, the economic models themselves are run without feedback from environmental changes.

It then quotes this from the *OECD Environmental Outlook*:

The *OECD Environmental Outlook* ... shows the impact of the global economy's development on the physical world; i.e. the environment. It does not, however, reflect the environmental impact back on the economy. Failing to provide this fully integrated picture has two implications. First, the Baseline fails to reflect GDP loss from environmental damage, so GDP projections may be higher than justified. Second, since without that feedback environmental policy will always show a loss of GDP, there is a misleading implication that environmental policy always decreases welfare.

So one of these issues is about the modelling. The bill before the House today will provide the mechanisms to gather the data to look at which companies are putting out emissions and how much they are putting out. With that we can build the economic models to address issues that will have an impact on the businesses in our community. We need to make businesses understand that without these steps to reduce our carbon footprint they might not have an economic argument to run in the future because the business just will not be there. The environment is at risk but so is the economy. These things need to be taken into account and dealt with.

The MSI is looking at numerous projects, particularly brown coal, which in Victoria is a big issue. Coal in Victoria is so plentiful that we do not look at alternative energy sources. We need greater research, particularly into brown coal. There are fewer and fewer researchers who have experience in brown coal technology. We need to look at how we can utilise that energy source into the future without having a detrimental effect on our environment—if it can be done. The researchers at Monash believe they have solutions to the problem in respect of brown coal but that there is not enough attention being focused on it.

The MSI also wants to look at behavioural change to facilitate sustainability. At the end of the day, that is the greatest part of what we

are going to be doing. The No. 1 issues my constituents in Chisholm write to me about are climate change and the environment. Currently I am on the end of a lot of emails about extending the train line from Huntingdale station to Monash University. They are being generated by the lovely university students at Monash University, and I strongly support them in this endeavour. Currently the train line ends at Huntingdale and you have to get a bus to Monash University, which is ridiculous. Monash University campus at Clayton is the largest university campus in Australia. Something like 40,000 people descend upon it every day. To get a bus from Huntingdale to Monash is virtually impossible. A bus arrives and gets full, the next bus arrives and gets full, and you cannot go anywhere.

So people are looking at ways and means of transport and the impact on the environment. Most of the students are saying to me, 'We are trying not to take our cars to Monash.' I confess, having been a student at Monash, that I drove there most days because getting there by public transport was a pain in the neck. The students are writing about their impact on the environment and are trying to switch their habits—trying to understand what behavioural changes we need to make to ensure that we are facilitating sustainability.

My constituents write that they are putting in water tanks and looking at solar panels. They are looking at things like their Bokashis. I hope everybody is going out and getting their Neco bags of fill so that they can reduce the waste that is going into their bin. I hope they are burying it in the garden—like I attempt to do. They are doing those things because they want to make their own personal change for our environment. People in my electorate are doing amazing things. The number of chook sheds and worm farms that have gone in is amazing. As I said, the

schools are doing it too. So behavioural change is there. The community is leading the way and we as parliamentarians need to learn from the people we are representing. We need to pass the legislation before us today and introduce good systems so that we have a future environment and an economy to protect.

**Ms REA** (Bonner) (6.37 pm)—I thank the House for giving me the opportunity to speak on this very important set of amendments that we have before us in the National Greenhouse and Energy Reporting Amendment Bill 2008. Before I illustrate some of the reasons why I particularly support these amendments, I say that it is a real privilege to be a member of a government and to stand in a parliament where these amendments are just one part of a very constructive and productive suite of policies that will address some of the very critical environmental issues that we not just as a nation but as a planet are facing today. The reality is that climate change exists. We have many people who are trying to divert the debate about how we actually manage and deal with the impacts of climate change, and there are still the sceptics who are trying to keep us all with our heads buried in the sand, hoping that we will pretend climate change is not there, that it will go away and that, if we do nothing, it will all be okay. But many in the community know that climate change is a reality, that we are facing severe environmental impacts because of the increase in greenhouse gas emissions and that as a community, as a society, we have an obligation to address this.

The reality is that we have to acknowledge not just the fact that climate change exists but our part in that—that human beings as a result of their attempt at progress, particularly over the last couple of hundred years, not only have increased greenhouse gas emissions but also have increased the

rate of the greenhouse gas emissions that are occurring. We have accelerated the amount of emissions that are going into the atmosphere. We have to be responsible for dealing with those impacts, but we also have to look at the way that we as a community can reverse that trend. It is possible to slow down the emissions, to reverse the impact and to reverse the rate at which we are producing greenhouse gas emissions.

If we do not, the consequences are dire. Although many say that it is the doomsayers out there who are trying to frighten everybody into doing something, it is not the case. There are some very credible and well-respected organisations and individuals across the planet, and in particular here in Australia, who have looked closely at the science of climate change and come up with some quite alarming but very realistic facts. If we look, for example, at a report into climate change that was done by those very well respected national institutions, CSIRO and the Bureau of Meteorology, neither of which would be considered to be organisations particularly alarmist or extreme in their views, they have come up with some interesting statistics that are important in the context of this legislation and debate. They are saying that the average Australian temperatures have increased by 0.9 degrees Celsius since 1950. The frequency of hot days and nights has increased and the frequency of cold days and nights has declined. Many people would not consider 0.9 degrees to be a significant amount but, when you look at it as an average increase across the planet and consider that when the planet was only five degrees cooler than it is now it was the ice age, it turns that seemingly very small figure into a rather large problem that we have to deal with. The scale of the increase in temperature is very important and one that we should worry about if we do nothing.

Since 1950 most of the eastern and south-western sides of Australia have experienced substantial rainfall decreases. The global sea level rose by around 17 centimetres during the 20th century and by around 10 centimetres from 1920 to 2000 at the Australian coastal sites that were monitored. As the member for Bonner, which is on the shores of Moreton Bay on the coastline of Brisbane in South-East Queensland, I can assure you that there are many people in my electorate and in electorates nearby who have real cause for concern when we talk about sea levels rising to that extent. The new projections for Australia's climate indicate that, by 2030, temperatures will rise by about one degree over Australia—less in coastal areas and more in inland areas—and rainfall patterns will change. It is projected that there is a 60 to 70 per cent probability that climate change will decrease annual rainfall in southern and central Queensland and a 50 to 60 per cent probability of rainfall decline in northern Queensland.

Droughts are likely to become more frequent. Under the current criteria for drought, most of Australia will experience 20 per cent more time in drought by 2030 and eastern Australia may spend 40 per cent more time in drought by 2070. I am rising to speak on this legislation not just because I fundamentally believe that we need to deal with environmental impacts and improve the way in which we address environmental issues but also because I directly represent an area of the planet—namely, South-East Queensland—which on these figures is facing some real challenges if we do not introduce measures to deal with climate change.

In particular I would like to refer to one of the most iconic sites in Queensland and, indeed, Australia: the Great Barrier Reef. Yesterday we passed legislation to improve our monitoring and environmental protection of that particular site. While I did not have the

opportunity to speak, I would like to inform the House a little about the Great Barrier Reef and what would happen if we did not address climate change. Let us put aside the environmental aspects at the moment and look at the industry that is generated by the reef. There is tourism, fishing, research and public enjoyment—it is an area that many people not only from Queensland but also from around the world enjoy as a wonderful experience. Defence training is also carried out in the area. In fact, more than 63,000 people are employed in Great Barrier Reef tourism, fishing, cultural and recreation industries, which generate \$6 billion in GDP each year. The greatest threat to the reef is climate change. Sea temperatures have warmed by about 0.4 per cent over the past 100 years and there have been eight mass coral bleaching events since 1979.

We are dealing with very clear impacts that we have an obligation to address. It heartens me that not only do we finally have a government that is prepared to act, but we have a community that is very prepared to support action—in fact, it is demanding action. The community made very clear its support for action on these issues on 24 November last year when it chose a government that would sign the Kyoto protocol and address climate change. Since then a number of opinion polls have demonstrated that the Australian community—individuals and organisations—is far ahead of the opposition in its support for measures such as the pollution reduction scheme. People are saying that they want Australia to act and to act now. They are prepared to support measures that will achieve changes in our attitude to environmental problems.

The Australian community should also be congratulated for the individual behaviour changes that have been made across the board. In my previous job as a Brisbane City councillor I was privileged to be part of an

administration that introduced recycling. That has been taken up significantly by Brisbane residents and more than 30 per cent of waste is now recycled in Brisbane. In response to the drought, the council also introduced water restrictions, which were taken up with gusto. Residents have significantly reduced the amount of water that each household uses. People have also clearly stated that convenient and cost-effective public transport is a real alternative to using private cars. The community is prepared to act—people are reducing their energy consumption, they are turning off lights and they are installing water-saving devices. They are changing their household behaviour to reduce their carbon footprint. Many people also participated in Earth Hour. I enjoyed a wonderful candlelit hour with my children. It was a benefit not only to the environment but to the family as well to be able to sit around a table and talk for an hour with no distractions.

People also expect the government and the corporate sector to play their part and to make their contribution. They accept that the cost of inaction is greater than the cost of action, and they want the entire community to contribute to dealing with this very important issue. They expect the government to lead, but they also want measures that will ensure industry plays its part. That is why there is broad community support for the government's proposed Carbon Pollution Reduction Scheme. It is clearly a way to encourage businesses to address their pollution reduction and to initiate measures within their companies and their industries to reduce greenhouse gas emissions. Such a scheme will enable the market to balance itself so that commerce, business and industry continue but also add that very important cost of the impact of pollution. It will ensure that individual businesses change their be-

haviour and reduce overall greenhouse gas emissions.

Opposition members who have contributed to this debate have indicated that the opposition supports this measure in principle. Unfortunately, I think the 'in principle' bit is a little too late. We must act now; we must make difficult policy decisions that will work and achieve a real reduction in our greenhouse gas emissions.

Someone pointed out to me that we are clearly adding yet another element to the way in which we cost our goods and services. It is accepted that any business will factor in its administration costs, its labour costs and its overheads in determining the cost of producing a good or service. It then applies a small mark-up to ensure that it makes a profit. Someone said to me recently that in the past we costed the production of goods and services from the time that we took the resource out of the ground to the time it came out of the factory. However, we did not cost what came out of the chimney. A reduction scheme will do that—that is, it will realistically cost the production of goods and services. It will ensure that industry and the community acknowledge that factory emissions are also a cost of production.

It is important that the opposition not only supports this measure in principle but supports it by voting for the reduction scheme. We have heard a lot of criticism this evening about the European Union trading scheme. As a government we are lucky because we have the benefit of hindsight. We can look at the different trading schemes that have and have not worked and then build on and improve them. We are not starting from scratch. In the United States and Canada, for example, more than 27 states have introduced trading schemes. Of course, the most notable is California—a significant state in the United States. I welcome the fact that both of

the US presidential candidates, from the Republican and Democrat parties, have committed to introducing an emissions trading scheme. So we are not alone. We are part of a global solution and I am very pleased that this government is leading the way.

These amendments are so important because they provide for a national framework that will pull together the bits and pieces that are already occurring around the states and territories and establish a reporting scheme that will inform the Carbon Pollution Reduction Scheme, which I hope will come into being over the next couple of years. The reporting scheme will give us the information we need to make the trading scheme work. In order for this major change in the way that we do business to be effective, both economically and environmentally, we need accurate information. Business needs information to be able to understand how it can reduce its greenhouse gases and measure its emissions. Business needs that information so that it can prepare for a future reduction scheme. The community is very keen to understand the impact of industry on the environment and the sorts of emissions and the volume. With these amendments, information will be publicly available for the whole community to appreciate what is happening now. With this information we will be able to tailor a reduction scheme in a way that suits industry. That is what is so important about these amendments. These amendments will give us the data to get the right measurements in place and the right policies in place to produce a reduction scheme that will have a real impact.

The key thing about these particular amendments is not just the fact that we are bringing it together nationally and that we will finally have a single national framework but also that we are looking at providing the information in different ways. For example, we will ask corporations to provide informa-

tion not only on what they are doing in terms of projects within their own sector, company or business to reduce greenhouse gas emissions but also on whether they are actually investing in other ways in terms of offsets to balance out their reduction. We will actually be asking companies to report on both direct emissions and indirect emissions. But we will do that without putting an onerous administrative burden on those companies. We will provide an online automatic calculation for the scope 2 or indirect emissions so that they will not have any administrative burden.

This is all very significant and it will make a real difference when you consider that currently the reporting scheme involves 450 companies, but by 2011 it is expected that it will involve 700 companies. It is important that we acknowledge that a reduction scheme is difficult. It will require a change of attitude and behaviour. It will require both business and the community looking at doing things differently and addressing yet another concern in the production process—that is, their emissions. With these amendments we will get the right information and the right data and we will have the opportunity to work closely with business to enable a reduction scheme that will help.

I would just like to conclude with what I think is a very significant old proverb: ‘The earth was not given to us by our parents; it was loaned to us by our children.’ As a member of this government, I hope that my children will be proud of the earth that I have put on loan for them.

**Mr MURPHY** (Lowe—Parliamentary Secretary to the Minister for Trade) (6.57 pm)—I would like to start by congratulating the member for Bonner for her invaluable and lasting contribution to the debate on this very important legislation. Tonight, I too rise to support the National Greenhouse and Energy Reporting Amendment Bill 2008. I

commend the Minister for Climate Change and Water, Senator the Hon. Penny Wong, for the proposed amendments. The basis of the amendments lies in the need to clarify the requirements and regulations of the National Greenhouse and Energy Reporting Act 2007. One particular amendment, the mandatory public disclosure of direct and indirect gas emissions, aims to improve the quality and reliability of data collected to assess the situation of greenhouse gas emissions in Australia. Further, the amendments enhance the transparency of information on the energy use and greenhouse gas emissions by registered corporations.

While members of the opposition have spoken today on the scare campaign of misinformation regarding the true effect of carbon emissions on climate change, I want to take the opportunity here tonight to provide the counterpoint to some of that misinformation. The proposition that climate change is being driven by global warming caused by emissions of carbon dioxide from fossil fuels from agricultural methane emissions, from land clearing and from other smaller sources is now well established beyond any reasonable doubt.

Recent evidence for the apparent acceleration of global warming, such as the rapid melting of the Arctic icecap, now appears to indicate the manipulation of previous reports by sceptics such as the former Howard government and the Bush administration in the United States. There is no question that, to avoid taking action, both governments distorted evidence and suppressed unfavourable data while forcing organisations such as the Intergovernmental Panel on Climate Change to produce sanitised reports that greatly overestimated the time frames and underestimated the effects of global warming. The consequences have been that the more realistic predictions of climate scientists have been ignored, measures that could have reduced

greenhouse gas emissions have not been implemented and we now find ourselves exposed to climatic changes that were, according to the Howard government, not supposed to happen for 50 years or more.

Australia is proving to be very vulnerable to the effects of global warming, particularly with rainfall. Records now show that large parts of eastern Australia have become much drier during the past decade, and it is highly probable that these changes have been brought about by global warming. It is the view of the great majority of the world's scientists that significant reductions in greenhouse gas emissions have to be made within 10 years if dangerous consequences are to be avoided. Of great concern are recent figures that show that world emissions have actually grown by 3.3 per cent per annum since 2000 and are 25 per cent above the 1990 levels, while natural sinks for carbon dioxide, such as the oceans, are exhausting their capacity to absorb the growing volumes of carbon dioxide being released into the atmosphere.

A target level of a 60 per cent reduction in Australia's emissions by 2050 requires average cuts of the order of eight million tonnes of carbon dioxide per annum starting this year. Reductions of 90 per cent by 2050, which may be necessary, will require average annual cuts of around 12 million tonnes of carbon dioxide starting this year. At the very least, an end to the growth in emissions must be brought about as rapidly as possible. Technologies that can quickly reduce carbon dioxide emissions by improvements in energy efficiency and by large-scale replacement of fossil fuels by renewable energy sources are well developed and in many cases have been available for decades. New technologies will also be important for future reductions in emissions, but the changes that need to be made to our energy infrastructure can be largely accomplished with what exists today. The necessary response to global

warming is a matter of rapid mobilisation of existing resources.

The residual climate change sceptics, including the present Leader of the Opposition and his pretenders, in arguing for a policy of inaction falsely claim that there is a large amount of uncertainty in the science. While it is true that there are margins of error in the measurements and the predictions of the effects of global warming, as there are with any measurements, the magnitudes of these errors are relatively small. The Intergovernmental Panel on Climate Change reports that the average global air temperature near the earth's surface increased by 0.74 of a degree, plus or minus 0.18 of a degree, during the 100 years ending in 2005. These data are regarded as highly reliable because they are the product of a large and statistically significant number of measurements made with highly accurate instruments. Consequently, the margin of error in these figures is far from sufficient to support the level of doubt promoted by the opposition.

The desiccating conditions being experienced by Murray-Darling Basin farmers are strongly correlated with widely accepted climate change models, yet the opposition—in a policy development process best described as disorganised dithering—continues to deny any significant connection with global warming. The professional sceptics have attempted to discredit the evidence for global warming by offering alternative possibilities, including a remarkable claim that the earth is actually entering a cooling phase. While most sceptics are not willing to go that far in denying reality, some ill-informed individuals are attempting to argue, without understanding the evidence, that there are other reasons for global warming apart from human activity. These include: (1) that the sun's output of heat is increasing, (2) that cosmic rays are responsible for heating the

atmosphere and (3) that natural sources emit more carbon dioxide than humans.

I submit that highly reliable evidence based upon measurements, as opposed to supposition, clearly shows that there is no substance to any of these and other claims. Firstly, a fuss has been made of recent measurements based on short-term weather variability over little more than a year that appeared to show that the average global temperature has suddenly started to fall.

**Mr Haase**—You are on the money now; you are getting it right.

**Mr MURPHY**—I note the interjection by the shadow parliamentary secretary for infrastructure, roads and transport, who is at the table, but he should listen to what I am going to say. Although there was a decline in average global atmospheric temperatures between January 2007 and January 2008—and I hope he is listening—the long-term average, taken between 1850 and 2007, shows an inexorable increase punctuated by minor excursions of higher and lower average temperatures. This a fact. Further, the temperature difference between 1998, which was an exceptionally warm year characterised by an intense El Nino, and 2007, a year of cooler than average temperatures affected by a strong La Nina that brought up cold waters from the bottom of the Pacific Ocean, is also put forward as evidence for global cooling. Unfortunately for the sceptics, and I presume the shadow parliamentary secretary fits into that category, these kinds of fluctuations are the product of complex weather cycles and have occurred frequently in the past and do not represent anything more than a random departure from the steady escalation in average global temperatures, which is not in dispute.

The flux of energy emitted by the sun that is received by the earth, termed the solar constant, has been monitored for many years

and has been found to be stable at 1,360 watts per square metre with a variation of plus or minus 1.3 watts over a regular 11-year cycle. If a reduction in the sun's radiated output was responsible for the recent 0.6 degrees of cooling, the solar constant would have to have fallen by 13 watts per square metre—a decline of a magnitude that has never been observed. Similarly, if an increase in the flux of solar energy were to be the cause of global warming then the required change in the solar constant would have been very significant and obvious. The solar constant has not changed sufficiently to affect global temperatures since highly accurate satellite based measurements began in the 1970s, yet global temperatures have continued to rise in line with the growing concentration of carbon dioxide in the atmosphere.

Cosmic rays—or high energy subatomic particles—that bombard the earth from the distant reaches of space have been suggested as an extraterrestrial agent responsible for global warming. The proposed mechanism by which cosmic rays influence earth's climate is somewhat tenuous and depends upon the unproven promotion of cloud formation by cosmic rays. The number of cosmic rays striking the earth is reduced by a more intense solar magnetic field, which occurs at times of higher solar activity. Theoretically, the earth could be warmed by this process because a lower number of cosmic rays would mean that there could be fewer clouds to reflect solar radiation. Yet, to date, there is no convincing evidence that this effect has any significant influence upon the earth's climate.

The last claim that I wish to discredit is the proposition that the carbon dioxide that is accumulating in the atmosphere has arisen from natural sources. Extensive and long-term measurements show that, although the exchanges of carbon dioxide between the

atmosphere, the oceans and the biosphere are very large, the emissions from natural sources have, in the past, been in equilibrium with natural sinks. Ancient atmospheric samples trapped in Antarctic and Greenland ice cores show that carbon dioxide levels have fluctuated slowly between 180 and 300 parts per million for the past half-million years and have only seen a rapid climb to the present level exceeding 380 parts per million since the beginning of the Industrial Revolution. The combination of these and many other strands of evidence demonstrate conclusively that fossil fuels have been the largest single source of increasing atmospheric carbon dioxide levels over the past 150 years. Sceptics like those who sit opposite can now resort only to falsehoods or extremely remote or, at best, tenuous speculation to account for a process that is best understood by the simplest explanation: that is, that human activities have reached such a scale that we—yes, humans—have now become the primary agent of change on the earth's surface and that some of these activities, in particular the annual release of around 30 billion tonnes of carbon dioxide into the atmosphere, have started to change the climate. That is why the National Greenhouse and Energy Reporting Amendment Bill 2008 is an important instrument in our fight against climate change. Climate change is real. Action is required and the Rudd government is committed to addressing the problem.

**Mr Price**—That's right. We are not sceptics.

*Member for Shortland interjecting—*

**Mr MURPHY**—I am pleased to have the support of the Chief Government Whip and the member for Shortland, and I note the Treasurer is coming in here to listen to the wisdom of what I am saying. The National Greenhouse and Energy Reporting Amend-

ment Bill 2008 seeks to clarify and confirm the obligation of those emitting greenhouse gases as an emissions trading scheme is being carefully considered and developed. By improving the availability and reliability of information on energy use and greenhouse gas emissions through the proposed amendments, we the government are arming ourselves with the knowledge needed to make effective changes in legislation and in our choices as consumers. This bill highlights the shared obligation of government, corporations and individuals to ensure a sustainable future for our kids. I commend this bill to the House.

**Ms HALL** (Shortland) (7.13 pm)—I was very pleased to hear the member for Lowe's contribution. It brought home to me that he knows that climate change is real. He is not a climate change sceptic like many on the other side. He is a man of foresight, a man who can appreciate that, unless we address the issue of climate change, it is going to have an enormous impact not only on Australia but on our planet.

The National Greenhouse and Energy Reporting Amendment Bill 2008 makes a number of enhancements to the administration of the National Greenhouse and Energy Reporting Act 2007. The act requires mandatory reporting of greenhouse gas emissions and energy data by large corporations. The act was originally passed by the previous government in 2007. This bill expands the amount of corporate information which will be published by the government in other respects. The bill imposes no regulatory burden on industry beyond the original intent of the act. The bill will expand the number of items which can be published relating to corporate greenhouse emissions. That includes separate public disclosure of direct emissions, indirect emissions and methods used to calculate emissions. This bill will also provide some clarification about what can be

publicly disclosed, including: allowing publication of data according to a corporation's business units; confirming that totals may be published as falling between a specified range of values in cases to avoid revealing trade secrets or commercially sensitive information, which is vital; and allowing the publication of information relating to offsets. Corporations can apply to have the information withheld from publication if it reveals trade secrets or commercially sensitive information.

When it comes to climate change, when it comes to greenhouse gas emissions, the opposition has let the Australian people down. When the opposition sat on the government benches in this parliament, it failed to sign Kyoto—it failed to recognise that greenhouse gases were causing enormous problems for our planet. It was because we recognise the absolute importance of addressing the issue of greenhouse gases that in April 2007 the Prime Minister authorised the Garnaut review. That was in April, while we were still in opposition. That showed that we had a vision, that we recognised that climate change was a reality and that we recognised that the then government was full of climate change sceptics and people that had a very narrow approach to looking at the environment and evaluating issues that could wreak enormous degradation upon our planet.

The Garnaut review was an independent assessment of the impacts of human induced climate change on the Australian economy. Professor Garnaut released his draft final report on 4 July. This report, along with his final report on 30 September this year, will provide a valuable contribution to the government's climate change policy. Professor Garnaut's July report is a timely reminder that the world is warming and this is causing more droughts, water shortages and extreme weather conditions. Last week I was in Darwin with the Joint Standing Committee on

Treaties receiving submissions and evidence on the Kyoto protocol. Whilst we were there we learnt a lot about the issues confronting the people of the Northern Territory and Darwin relating to and arising from climate change and the associated greenhouse gases. Professor Garnaut's report highlighted that in Australia we would be having more drought, water shortages and extreme conditions. In a place like Darwin, extreme conditions means more cyclones, and that would be a real challenge for that community.

One of the recommendations—and one that we on this side of the House embrace—is for an emissions trading scheme. We are committed to reducing our greenhouse gases by 60 per cent by 2050 and introducing an emissions trading scheme. That is at the absolute heart of Australia's efforts to reduce our greenhouse gas emissions at the lowest possible cost to our economy. The ETS is an economically responsible way of tackling climate change because it will move us from the heavy greenhouse pollution economy of the past to a clean economy of the future, at the lowest possible cost to families and businesses. Emissions trading has been proven to be the most significant economic and structural reform in Australia since the trade liberalisation in the 1980s. The principle that will guide the design of the ETS is a cap-and-trade scheme. The caps—that is, the limits on emissions—will be designed to place Australia on a low-emission path in a way that best manages the economic impacts of the transition while assuring our ongoing economic prosperity.

It is vital to Australia's future that we reduce our carbon pollution. That is why the green paper was released. It set out some possible directions that could be taken. It set out the basic mechanism of a cap-and-trade carbon pollution scheme and it contained 10 key commitments. These 10 key commit-

ments include investing in households and economic growth. This commitment states:

Every cent raised from the Carbon Pollution Reduction Scheme will be used to help Australians—households and businesses—adjust to the scheme ...

The government recognises that there will be a real need for adjustment, but it also recognises that it is vitally important to our country and to our planet that we go down this path.

The key commitments also include a cent-for-cent offset in fuel price impacts and increasing payments to pensioners, carers and seniors. So it is looking after those people who are most vulnerable in our community. They also include commitments to helping low-income households and middle-income households and reviewing and improving assistance measures. That will look at the adequacy of payments to people who are receiving benefits and at the overall impact of the scheme.

The key commitments also include ramping up energy efficiency. That is what we talk about a lot on this side of parliament. That is something that seems to be missing from the opposition, with its failure to support the government on these issues.

The key commitments also include supporting heavy vehicle road users. We all know that, for heavy vehicle road users, fuel taxes are going to be cut on a cent-by-cent basis to offset the initial price impact of fuel associated with the impact of the Carbon Pollution Reduction Scheme. This will be one of the measures that will be reviewed after year 1. As I started to say, we all know that heavy vehicle users will have to be looked after and have special issues that need to be examined in relation to Australia's carbon reduction scheme.

We will also be creating the Climate Action Fund, which is a very important part of

the government's approach. That commitment includes capital investment in innovative new low emissions processes, industrial energy efficiency projects with long payback periods and dissemination of best and innovative practices among small to medium sized enterprises. Finally, we will be keeping the energy industry strong.

That is a plan to address a real issue. That is a plan to address the degradation caused by greenhouse gases. It is a recognition that climate change is real. It is a recognition that the opposition has failed to deal with this matter and it is a recognition that this government will act and act decisively to address the issue of climate change.

**Mr SWAN** (Lilley—Treasurer) (7.25 pm)—in reply—I compliment the member for Shortland on her contribution to this debate. The National Greenhouse and Energy Reporting Amendment Bill 2008 is a very important instrument in our fight against climate change because it will assist the gathering of accurate data. Accurate data is critical to the development of an emissions trading system and certainly to the development of our Carbon Pollution Reduction Scheme. Having effective mechanisms in place to measure emissions is absolutely vital for public confidence in the operation of emissions trading. And of course we do need emissions trading in this country. Our green paper on the Carbon Pollution Reduction Scheme canvasses the implementation of a market based mechanism that will reduce carbon pollution and will do so according to the laws and principles of the market. Putting a price on carbon is the most cost-efficient and the least distorting way of reducing carbon pollution in our economy.

This bill is an important element of an emissions trading scheme because it gives us access to accurate data. Fortunately, I think that most in the community and in the busi-

ness community now recognise that climate change is real. They recognise that action is required. And the Rudd government is committed to addressing this problem. That is why the National Greenhouse and Energy Reporting Amendment Bill 2008 seeks to clarify and confirm the obligation of those emitting greenhouse gases as an emissions trading scheme is being carefully considered and developed. By improving the availability and the reliability of information on energy use and greenhouse gas emissions through the proposed amendments, we are arming ourselves with the knowledge needed to make effective changes in legislation and in our choices as consumers. The bill highlights the shared obligations of government, corporations and individuals to ensure there is a sustainable future.

This bill does establish the framework for the collection of high-quality greenhouse and energy data. This data will be used to inform government policy, meet Australia's international reporting obligations and allow for the elimination of duplicated greenhouse gas and energy reporting requirements in government programs. The act also provides data which will be used in the development, as I said before, of our Carbon Pollution Reduction Scheme. This bill will enhance the act by allowing the public and investors to access more information on greenhouse gas emissions and the energy performance of Australian corporations. So this bill will improve the administration of the act, simplify the registration process for Australian corporations and clarify detail relating to the auditing of corporation reports. The act facilitates a reduction in the number of reports that businesses are required to submit under the current patchwork of greenhouse and energy programs across all jurisdictions. This bill confirms the government's commitment to ensuring the system is implemented effi-

ciently and effectively to reduce the regulatory burden on Australian corporations.

I would like to thank all of the participants in this very important debate. We all now understand in this country—or, certainly, those of us on this side of the House understand—how important it is in tackling dangerous climate change that we deal with this as an economic issue. It is fundamental to our prosperity into the future that we become, as an economy and as a society, cleaner in the use of fuels. This is particularly important. That is why this debate has been mature, with the exception of one or two contributions from those on the other side of the House. We are actually serious about dealing with dangerous climate change, unlike those on the other side of the House, who cannot make up their minds which way they are going. Party meeting after party meeting—and still we cannot find out what they stand for. We cannot find out where they are going or what they are doing.

Question agreed to.

Bill read a second time.

### Third Reading

**Mr SWAN** (Lilley—Treasurer) (7.30 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

### COMMITTEES

#### Migration Committee

##### Membership

**The DEPUTY SPEAKER (Ms AE Burke)**—The Speaker has received a message from the Senate informing the House that Senator Hanson-Young has been appointed a member of the Joint Standing Committee on Migration.

### ADJOURNMENT

**The DEPUTY SPEAKER (Ms AE Burke)**—Order! It being 7.31 pm, I propose the question:

That the House do now adjourn.

#### New South Wales Ambulance Service

**Mr JOHN COBB** (Calare) (7.31 pm)—On 23 August 2007, almost exactly a year ago, the then Leader of the Opposition, Kevin Rudd, made his first big policy announcement. He stated:

When it comes to improving Australia's health and hospital system, as Prime Minister, if elected, the buck will stop with me. I'm sick and tired of one level of government blaming the other.

Well, Prime Minister, have I got a buck for you! If you live west of the Blue Mountains in New South Wales and are seriously ill or have a major accident, your life expectancy will take an official drop. I have here a leaked document which highlights the fact that, if you get injured or fall sick, out of business hours, west of the Blue Mountains, you should not expect the helicopter rescue service, based in Orange, to be of any help. The only help available will be a helicopter, if weather permits—and it quite often does not over the Blue Mountains—coming from Sydney and that will add at least two hours to any rescue.

This situation is outrageous. If you live west of the Blue Mountains you must not inconvenience the New South Wales government by getting injured out of business hours. You must not be so selfish as to get injured in a place where a helicopter cannot conveniently land on flat country because the New South Ambulance Service will not pay for a winch on that helicopter. Apparently, the New South Wales health service—and it is stated in this report—do not believe that the land west of Lithgow is dangerous or is not flat. They have obviously never been to Hill End or the Goobang National Park or

any one of the thousands of places in the central west where it is hard to get to. Time is essential. It simply is not good enough that people living in Orange, Forbes, Parkes, all the way out to Bourke—anywhere in the west and the central west—are having their lives put at risk because they do not live in Sydney or Wollongong. Wollongong is 12 minutes flying time from Sydney, yet it has its own 24-hour service helicopter. Who decided that accidents only happen west of the mountains during daylight hours?

In the last six months I believe there have been 100 cases where helicopters have had to come from Sydney to the central west because accidents were out of business hours. That normally adds at least two hours. There are cases where it has taken six hours to get somebody to hospital. A girl fell from a balcony, suffering horrific injuries. Because it was late at night, it took six hours for her to reach treatment in Sydney. If the same accident had happened during the day, the Orange rescue service could have been in Sydney in less than two hours.

In another case, it took a helicopter 2½ hours to reach a critical motorcycle accident which was only 20 minutes flying time from Orange. Two people reached Sydney five or six hours after the accident and one had an arm amputated. We can assume that may not have happened if the local helicopter at Orange had been able to get to work because it was not at night-time and could have got them to Sydney a lot quicker. If Wollongong has a 24-hour base service and it is only 12 minutes helicopter flying time from Sydney, why, when you consider the distance from Sydney to Orange, can't the Orange base central west service operate 24 hours?

As the buck stops with the Prime Minister, can he explain why the New South Wales Ambulance Service does not have a winch capacity on the Orange based rescue helicop-

ter? Do the government really think there is nowhere in the central west that you cannot easily get to? If that were the case, you probably would not need a helicopter at all; you would only need an ordinary land ambulance. It is a ridiculous situation.

I have been told about a case where the Orange based service was forced to circle a major crash for an hour waiting for the Sydney helicopter to come because it had a winch and the New South Wales helicopter did not. To date, the only response from the New South Wales government to that leaked report is to try to find out who leaked it. They have done nothing about addressing the issues which are putting our lives at risk all the time.

But does this sound familiar? In 2006 the Australian Local Hero of the year, Toni Hoffman, blew the whistle on Bundaberg's 'Doctor Death' and all the government wanted to do then was find out, like the New South Wales Ambulance Service is now doing, who actually leaked the report rather than deal with the issue. I applaud the actions of the person—whoever it might be—who has leaked this report, putting their career and their job at risk. I think it is an absolute disgrace that at this point in western New South Wales we have to take risks that nobody else does. (*Time expired*)

#### Page Electorate

**Ms SAFFIN** (Page) (7.36 pm)—I want to showcase in this great place two wonderful women residents of Page and a large number of local volunteers, so large in fact that it would constitute battalion strength—the Meals on Wheels volunteers on National Meals on Wheels Day, all community champions and all who are achieving great things in our local community. The first is Jacqui Lawrence, who hails from old Bonalbo, a small and vibrant village. She has just won a silver medal in the whitewater kayak slalom

at the Olympics. Today's *Northern Star* newspaper calls Jacqui 'the Whitewater Princess', as does the community—and she sure is. The Old Bonalbo Public School—a lovely school, where a local boy came back as the principal—has welcomed her mum and dad, Sarah and Laurie, home from Beijing with an afternoon tea. And the Old Bonalbo District and Progress Association has orchestrated a welcome home sign that says 'Proud home town of Jacqui Lawrence, Olympic silver medallist of 2008, and Kate Lawrence, her sister, world cup champion 2008'.

It is a family affair for the Lawrences, well publicised before they went to the Olympics, and sisters Kate and Rosalyn were at the airport yesterday to welcome Jacqui back to Australia. They were reported as wearing T-shirts that said 'My sister won one of these' and they had home-made silver medals attached. It really has been a great family and community affair, and they are all part of what Jacqui got out and did on the big day. Well done to Jacqui. Excellence is a great thing to aspire to and achieve. And well done to the Lawrence family for making it a family affair.

The next person I want to talk about is Vicki Hamilton and Heartfelt House. It is a service that is run locally by a remarkable woman. The service is, to my knowledge, unique in Australia. Vicki is a woman of considerable drive, passion and strength—herself an adult survivor of child sexual abuse. This is a matter on the public record that Vicki herself has talked about to bring attention to the issue she characterises as a disease of epidemic proportions. Quoting from one of her many letters:

Imagine a disease that affects one in three female children, and one in six male children. It is non-discriminate, affecting children from all cultures, socioeconomic levels and religions. It is a disease that means the patient has three times the

chance of falling victim to drug and substance abuse than the general population; a disease that 71 per cent of homeless young people have had to survive; a disease that eventuates in 20 per cent of its victims committing suicide, and 80 per cent considering suicide; a disease that results in its survivors finding it difficult to maintain employment and healthy relationships; and a disease which causes its victims to believe they cannot be good parents ... I suggest that such an epidemic, with such catastrophic effects would send the nation reeling.'

The letter continues in that vein. Vicki has sent letters to absolutely everybody over the last 2½ years that she has had Heartfelt House up and operating, trying to secure funding support. So far, she has been unsuccessful. I joined that struggle with her to try and get some funding. It is an area I see primarily as a state responsibility but, like a lot of things these days, that is blurred, given the messy way our Federation has developed. Heartfelt House is, so far, supported with small amounts from community sponsors, churches, the House With No Steps—that gives it its base—and Vicki and others, who put in lots of volunteer hours. My staff and I have been trying to help Vicki and Heartfelt House get the support they need, and will continue to do so until—hopefully—we get there. This includes requests to private philanthropic organisations as well. The service is one that is demonstrably needed, providing support and therapy, as it does to adult survivors, and also assisting survivors develop family management skills and a positive community orientation.

I say well done to Vicki and to all who work to continue Heartfelt House, to give you some public recognition in this place and to let you know that we are in there supporting you.

On National Meals on Wheels Day, I want to pay tribute to the over 1,200 volunteers across Page—I suppose that makes it two battalions—who provide those in need with

meals and allow them to stay in their homes. In a week about 600 meals are delivered right across Page. (*Time expired*)

**Wonthaggi Region Desalination Plant**

**Mr HUNT** (Flinders) (7.41 pm)—I rise this evening to express my clear and strong reservations about the desalination plant which has been proposed for the Wonthaggi region on the edge of my electorate. Let it be absolutely clear that the environmental impact statement, which was put out by the Victorian government last week, was a hopelessly inadequate document. It was inadequate for a very simple reason: it failed utterly to consider, firstly, the alternatives and, secondly, the energy impacts and requirements. In a chamber which talks much about greenhouse impacts, it is extraordinary that the Victorian government has adopted the highest consumption form of new drinking and usage purpose water creation that you can imagine.

Let me deal with this environmental impact statement. Firstly, there is a procedural question. It is 1,600 pages long, yet the community groups have five weeks to respond to it. Secondly, there is a charge of \$250 for those members of the community who want to seek access to this environmental impact statement. Thirdly, we know that recently costs were ordered against the Your Water Your Say Action Group in a case jointly run by the Commonwealth and the state. That is an enormous barrier to any community group which seeks to exercise its legitimate democratic right to challenge the procedures and the way forward as carried through an environmental impact statement. The use of Commonwealth and state financial power against community groups denies them the opportunity to use their rightful approach for appeal, for challenge and for questioning. The courts have now become a place of fear and loathing for community

groups in Victoria, following two such actions by the Victorian government to punish community groups who dared challenge decisions of the Victorian government. It has done so on both occasions with Commonwealth complicity. I therefore use this chamber at this moment to say to the Minister for the Environment, Heritage and the Arts, Mr Garrett, that he should withdraw the Commonwealth's request for costs against these community groups. It is utterly unacceptable that we have a Commonwealth environment minister punishing community groups such as Your Water Your Say and others—as was the case with the north-south pipeline, which was a breach of the Victorian Labor government's election promise. Those two groups have been punished through the courts. It is important that we use this democratic chamber to stand up on their behalf.

On the substantive side, what we see with the desalination plant is twofold. Firstly, we see a system which will have real local impact. We will lose one of the most beautiful local visual amenities in the Bass Coast region. That area, on the edge of a state park, will be scarred with an industrial site on what is otherwise a beautiful, open, greenfield space. It is almost inconceivable that this space has been chosen. Secondly, we will also see a powerline, in the vicinity of 70 to 80 kilometres long, which will cut right through the heart of some of the most productive horticultural and agricultural farming land. These are real impacts on farmers whom I have met who will lose the value of their land, who will lose the amenity of their land and who, in many cases, will lose the capacity to farm that which they have tilled, which they have managed and which they have dealt with as families over generations. If the Victorian government does go ahead with this project, the powerlines must be buried. There are adequate examples of that occurring, such as in the

Murray Link program and the Basslink program. This is a system which can happen, which should happen and which must happen if the requests and demands of the community are ignored and the desalination plant goes ahead.

The other reason why it is important is that there is a real and viable alternative which is environmentally far preferable. That alternative is simple. It is to clean up the Gunnamatta outfall by cleaning up the Eastern Treatment Plant in Melbourne—to clean that water up, not to discharge it off our coast. We have seen today in reports in the *Melbourne Age* that the Victorian government is backing away from plans to fully clean up the Gunnamatta outfall. Rather than a desalination plant, be very clear that the first priority should be to end the discharge of 150 billion litres of ocean outfall off the Mornington Peninsula at Gunnamatta. We will fight to make sure that that is the plan. *(Time expired)*

#### **Lindsay Electorate: Wall of Achievement Awards**

**Mr BRADBURY** (Lindsay) (7.46 pm)—I rise tonight to acknowledge in this place the valuable contribution to my local community of the recipients of this year's Penrith City Council's Wall of Achievement awards. The Wall of Achievement is an initiative of the Penrith City Council that each year recognises the tireless work of members of the community. Awards are given to individuals for their work in business, sport, the environment, civics and community services and as carers. Recipients of the award have their photograph hung on the wall of the Penrith city library for 12 months, where several hundred thousand people walk past each year.

The 2008 Wall of Achievement recipients are having their awards conferred on them tonight at the Penrith City Council chambers.

I wish to take a moment here in our nation's parliament to reflect on these very special individuals and to offer my congratulations to them and their families. The 28 award winners for 2008 are Bruce Turner and Ian Garton in the business category, Rodney Hayward in the carers category, Leigh Hartog in the civic category and Susan Oxenham in the culture and environment category. For their contribution to community services, winners are Thelma Anderson, Eve Armitage, Albert Blatch, Gerard Buchtmann, John Buchtmann, Marj Elphick, Patricia Formosa, Julie Gillies, Margaret Goodridge, Tim Hennessy, Paul Hennessy, Joan Maniaci, Vera Mills, Rae Paine, Julia Parashko, Jean Priest, Joan Stenhouse and Bonnie Turner. In the category of sport, the winners are Vanessa Jackson, Jack Rattenbury, Mark Rattenbury, Evelyn Stark and Kerry Wyborn.

All of these people are proud citizens of the city of Penrith, and they demonstrate that pride through their respective contributions to our local community. These local heroes are the very nucleus of our community. They are the glue that binds our community together and gives us that sense of community spirit that is such an integral part of the Penrith character. Amongst these local heroes are volunteers visiting the sick and the dying in hospital, delivering meals to the elderly, coaching our up-and-coming athletes and inspiring and supporting young people. They are involved in our emergency services, business innovation and giving others purpose and direction through employment. Collectively, they have shown us that no problem is too big to solve as long as you have the dedication, the perseverance and the commitment.

I regret that time does not permit me to speak in detail about the contribution of each of these award recipients. However, I would like to make a special mention of Kerry Wyborn, who was a member of Australia's

bronze medal-winning softball team at the Beijing Olympics and who hit the equalising home run in the seventh inning and kept Australia on the edge of its seat. I congratulate her for her efforts at the Olympics, acknowledge the hard work and sacrifices she and her family have made and thank her not only for representing her country but for representing her home town of Penrith on the world stage with such distinction.

I also acknowledge the outgoing 2007 Wall of Achievement award recipients, who have been fine ambassadors for Penrith. I express my thanks in particular to Gary Stockbridge and his wife, Delma, Ruth Hutchins and Jim Mason for their regular attendance at civic functions throughout the past year and for their ongoing pride in their city.

Finally, I pay tribute to a good friend of mine and a 2002 Wall of Achievement award recipient, Greg Marshall, who passed away last week. Greg had spina bifida and was wheelchair-bound but was a committed community volunteer and a passionate advocate for people with a disability. Greg Marshall was a true local hero and a source of tremendous inspiration. For around 15 years, Greg volunteered with the Penrith Disabilities Resource Centre, advocating for the needs of people with a disability and their carers. He lent his support to hundreds of people and their families and championed issues like accessible community transport. Greg graduated from TAFE with a certificate III qualification in vocational education and training administration and was presented with a certificate of appreciation from the Penrith City Council and from the New South Wales Premier for his work as a volunteer. Greg showed us all what can be achieved with determination, hard work and a passion for living. My best wishes go to his father, Bobby, and the entire Marshall family. I pay tribute to Greg's important contribution

to our local community and I know he will be sadly missed.

**Fadden Electorate: Lutheran Ormeau Rivers District School**

**Mr ROBERT** (Fadden) (7.51 pm)—Last Sunday I joined with over 100 local parents and the school board of the Lutheran Ormeau Rivers District School, or LORDS, to demonstrate our extreme frustration and outrage at the Queensland Bligh Labor government's position on the future of the school. This local community has been trying for almost a decade to establish a much needed P-12 school in the fastest-growing electorate in the nation, which is Fadden. The tale of how the school arrived at the bureaucratic conundrum in which it now finds itself would be comical and farcical if not for the frustration it has caused to the organisers and the detriment that the delays have caused to local students.

The school site was purchased in 2001, after many years of planning, and was held in trust until such time as the school held appropriate approvals for commencement. Approval was granted by the Lutheran Church of Australia Queensland District and the Queensland Office of Non-State Schooling for the school to commence in January 2006. It was approved by the then Minister for Education, Anna Bligh, who is now the Queensland Premier. Everything seemed sure to go ahead. The minister was behind it. Over 100 parents provisionally enrolled their children, uniforms were organised and plans were made. Capital funding grants totalling \$1.3 million from both the state and federal governments were made to the school.

Then came the almighty elephant in the room: the South East Queensland Regional Plan—an overriding authority which effectively rezoned the site from 'special residential' to 'small lot rural and open space/landscape protection' and suddenly and dramati-

cally thrust the school into a nightmare that continues today. The regional plan zoned the proposed school into oblivion. There seems little chance of resolution at present despite the ease with which a resolution could be reached. This problem could be resolved with the simple stroke of a pen by the state government. Premier Bligh saw the value of this school when she was education minister and gave approval for the school to go ahead. It is now up to her to live up to her previous commitment, cut through the bureaucratic red tape and deliver for local parents and students in Ormeau. The corridor in which the school is to be placed is the fastest-growing area in the nation, and any unnecessary delay to infrastructure of any kind is completely unacceptable.

A rigid and immovable regional plan is a defective regional plan. The plan's own stated aim is to effectively accommodate population growth throughout South-East Queensland. So where are the private schools in the area? Surely, considering the already rapid growth in the area, a privately funded school in a region severely lacking in infrastructure of all types would be the perfect candidate for an exemption from the plan. This is especially so because the site of the new school is on a magnificent hilltop a mere 150 metres from the railway station. Locations simply do not get any better than this.

I firmly believe that parents have a right to choose a school for their children. But, considering this historical debacle, the question is: do you, Premier Bligh? Three new schools in this immediate area, all of them state run, have been approved and funded in the recent Queensland Labor budget. Either the Labor government in Queensland is incompetent or there is something more sinister lurking in the depths of this moribund Labor administration. Unless this bureaucratic nonsense is stopped and the school is

approved, the only logical conclusion that can be reached is that this is a classic case of Labor politics of envy. Unless this nonsense is stopped and the school is approved, there is only one conclusion that can be reached and that is typical thuggery from a teacher union which hates private education and old-fashioned Labor Party thinking which espouses the notion that private education is bad.

We are waiting, Premier. Let me tell you that you are on notice. You need to act now or you will pay the price at the ballot box. The school is in the middle of the brand new state seat of Coomera. I will simply not rest until this seat is proudly a Liberal-National Party seat and has a thriving LORDS school in the middle of it. I urgently call on the Premier to follow up on her words from 2006 and implement the school she approved as Minister for Education.

#### **Defence Home Ownership Assistance Scheme**

**Mr HALE** (Solomon) (7.56 pm)—I rise to congratulate all the Defence Force service men and women and their families who live in Darwin and Palmerston. I note that the previous speaker, the member for Fadden, served in the ADF—with distinction, he informed me! I also note the presence in the chamber of the Parliamentary Secretary for Defence Procurement. In my electorate of Solomon we have several thousand service men and women who do a fantastic job. These service men and women and their families actively participate in the community. They go to work and school and they support the local shops. The play sport and go fishing on the weekends.

Defence personnel play a vital role in our community and they are essential to our vibrant city. That is why I am extremely happy that it was our government that recently delivered an appropriate Defence Home Own-

ership Assistance Scheme. This scheme will make a positive difference for the Defence men and women and their families in Solomon. Personally, as a coach of the combined services footy team up there, I know that many of the young guys in the team and their partners are looking at setting themselves up financially and planning for their future. That means they are thinking about making one of the biggest purchases they will ever make: a home. The scheme provides a subsidy on interest payments on a mortgage after four years of full-time service. Loan limits will increase after eight years and again after 12 years. There is also provision for those in the Defence Force Reserves to access the scheme.

The Defence Home Ownership Assistance Scheme provides up-to-date and appropriate home ownership assistance that reflects both current and future home loan markets. The new scheme is available to members of the ADF who were serving on or after 1 July this year. The take-up rate of the new scheme has been outstanding. Some 5,620 applications have already been received. In fact, it has been so popular that additional staff have been allocated to improve the application process.

There is a longstanding acceptance that home ownership assistance is provided to ADF members because of the difficulties they experience as a result of the important career they have chosen. The scheme retains many of the eligibility criteria that applied to previous schemes. However, there have been some notable improvements. To qualify for the scheme, permanent ADF members need only to have been in the service for four years rather than the previous requirement of five years.

To make sure it does not become out of step and ineffective, our scheme gives the capacity to keep up to date with changing

housing and home finance markets by using data from the Australian Bureau of Statistics and assessing home loan interest rates as they vary from time to time. Furthermore, the scheme provides ADF members with flexibility and choice on home finance. Rather than one sole supplier, ADF members now have access to a panel of three home loan providers. The three selected providers are the National Australia Bank, the Australian Defence Credit Union and the Defence Force Credit Union. Along with providing better lender choice, the Department of Veterans' Affairs has been selected, through a competitive tender process, as the administrator of the scheme. This year's budget provided almost \$1 billion for the scheme up until June 2017. It should also be noted that the ongoing operation of the scheme will be subject to an implementation review after four years, with Defence reporting on the outcomes.

Having just had the privilege of being involved in the 2008 Australian Defence Force Parliamentary Program at Robertson Barracks with the member for Stirling, I briefly experienced firsthand the challenges many of my constituents are confronted with every day both at home and abroad. I am extremely proud of the contribution the men and women of the ADF make to the peace and security of Australia. I encourage anyone considering a career in the Australian defence forces to do so knowing that it provides you with an opportunity to serve your country and to develop a career and a network of friends that will be with you for the rest of your life. In the current climate of skills shortage it is essential that both our existing service men and women and potential new recruits are given every incentive to enjoy a career and prosper in the ADF.

I will continue to work closely with the Minister for Defence, the Minister for Defence Science and Personnel and the relevant

parliamentary secretaries to deliver for Defence families in Darwin and Palmerston. I will work to deliver programs which address some of the issues facing the ADF, such as recruitment and retention. In the words of my friend Brigadier Michael Krause, Commander, 1st Brigade: 'Recruit the soldier, retain the family.'

**The DEPUTY SPEAKER (Ms AE Burke)**—Order! It being 8 pm, the debate is interrupted.

**House adjourned at 8.00 pm**

**NOTICES**

The following notices were given:

**Mr Albanese** to present a Bill for an Act to amend the AusLink (National Land Transport) Act 2005, and for related purposes. (AusLink (National Land Transport) Amendment Bill 2008)

**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: Puckapunyal Redevelopment, Victoria.

*Wednesday, 27 August 2008*

**The DEPUTY SPEAKER (Ms AE Burke)** took the chair at 9.30 am.

#### **CONSTITUENCY STATEMENTS**

##### **Forrest Electorate: Gas Supply**

**Ms MARINO** (Forrest) (9.30 am)—I rise to speak on the continuing gas crisis in Western Australia and how it is still disproportionately affecting businesses in the south-west, in my electorate of Forrest. I have to again ask the question: why was it that on 3 June, when Apache Energy's operations at Varanus Island exploded, wiping out one-third of the state's gas supply, in spite of the logistics involved, south-west businesses experienced a sustained 100 per cent cut in their supply of gas? There is now concern that businesses affected by the gas shortage believe they may not be able to get fully back on their feet until at least next year and may never recover their losses through insurance or compensation.

I want to inform this House that the gas supply to Western Australian businesses, particularly those in the south-west of the state, has still not fully resumed. I have many questions I want answered by the authorities who have presided over gas allocation decisions, including why, in the immediate aftermath, south-west businesses were not able to enter into negotiations for the supply of any reduced amounts of gas that was available. What entity distributed, and on what authority did the energy provider distribute, gas to industry? Why wasn't there any transparency of process afforded to businesses so that industry knew what businesses were being allocated gas and in what proportions? It is indeed premature for the WA Labor Premier to declare the gas crisis over. He may want it to be over in the minds of voters, as he has prematurely called a state election for 6 September, knowing full well that the report on the investigation by NOPSA into the cause of the explosion at Varanus Island will come out well after the election results.

Since 8 August 2008 it has been announced that the Varanus Island facility is producing at 60 per cent capacity. However, this increased supply has not yet been provided to businesses in the south-west. I want to know what businesses are now receiving an increased supply of gas as a result of this increased production. Indeed, many south-west businesses were faced with no security of gas supply and, with the daily lottery through Alinta, were faced with the prospect of terminating staff and going out of business, an option none wanted to take. Instead, they secured alternative gas supplies, most paying around four times the amount of the usual supply cost. They also entered into contracts that, in some cases, would be in effect for extended periods beyond the shortage. Since securing alternative supplies, the same businesses have again reported that they have been unsuccessful in attempting to contract and negotiate with the gas entity from Varanus Island to resume gas supplies at the original price. Why have these businesses been precluded from having their gas supply recommissioned by their original gas supplier? It has been reported that, in securing alternative sources of gas, many businesses have had to also negotiate the transport costs of the gas with a third party at an additional cost. I want to know whether this process was as transparent as possible and whether any assistance could have been given *ex gratia* by the state government. (*Time expired*)

**Mrs Judy Wild**

**Mr SIDEBOTTOM** (Braddon) (9.33 am)—On 21 August Labor's Minister for Ageing, Justine Elliot, and I presented a 2008 Australian government community award and plaque—a beautiful plaque—to Mrs Judy Wild, who was nominated by the Melaleuca Home for the Aged in East Devonport in my beautiful electorate of Braddon. Judy Wild has been a volunteer with many community based organisations for more than 30 years and has always displayed genuine compassion. Her concern for her fellow citizens is unparalleled, and she gives freely of her time.

Judy's commitment to Melaleuca Home for the Aged has been immense. Judy is an active member of Melaleuca's auxiliary and is the current president. She was one of the original steering committee members when it was first formed, more than 25 years ago. The committee works tirelessly to fundraise to provide many items of furniture and equipment for Melaleuca, which has benefited all the residents. The auxiliary fundraising efforts have seen phenomenal results, and without their efforts Melaleuca would struggle to provide the high quality of care that residents deserve. Judy has received life membership of the auxiliary for her dedication and involvement for the past 30 years. She is also the coordinator and major force behind Melaleuca's biennial art exhibition and formal dinner. The event is the auxiliary's major fundraiser every second year.

Along with other auxiliary members, Judy gives of her time freely. She has provided weekly bingo sessions to the residents of Melaleuca for the past 10 years. She readily makes herself available for resident activities that require an extra pair of hands and is always open and sincere in giving her time. Over the past 25 years Judy has visited many residents as an act of kindness and, although not related to them, she will spend many hours talking or just being there. Judy was appointed to the Melaleuca board of management in 1995 and has served tirelessly on the board, which meets a minimum of 12 times a year.

Judy has also been involved in many other activities. For instance, with Meals on Wheels she has for more than 20 years enjoyed many hours with older persons, delivering meals around the beautiful city of Devonport. Judy has devoted 1½ days per week for many years volunteering at St Vincent de Paul in East Devonport, where she assists with the never-ending tasks of sorting, cleaning and preparing clothes for resale at the thrift shop. She has been a member for many years of the City of Devonport Lions Ladies. She was a founding member of the Devonport Girl Guides Association and was involved in the creation of the hall at Devonport 30 years ago. She has been an active member of the AFS students abroad association for many years as well. I congratulate Judy on her sterling efforts and her wonderful work. She is a great person and a deserving recipient of the 2008 Australian government community award in my electorate.

**Mitchell Electorate: Small Business**

**Mr HAWKE** (Mitchell) (9.36 am)—Last week I had the opportunity to participate in Policies for Small Business, a great initiative. I worked teaching at Hills Grammar School—one of my old schools—and as a print worker at Colonial Print and Copy in Baulkham Hills. I also doorknocked businesses on the corner of Windsor Road and Old Northern Road. These businesses are being ignored by the state agency Roads and Traffic Authority. I have to say the lack of consultation about changes that are severely impacting their businesses is breathtaking. Small business is the engine room of our economy. There are 14,126 small businesses in

Mitchell, all of which play a vital role in our local economy. I am proud to stand up for them in this place. We do need to do more to make it easier to own and operate a small business, but we also need to make it easier for people to get into small business. The Labor government's recent axing of funding for programs such as Commercial Ready and Building Entrepreneurship has certainly not made it easier for small business. With higher petrol prices and the collapse of consumer confidence in recent times, we ought to have small business and small business operators very much in the spotlight of policy making at the moment.

In addition to these businesses I visited on the Pollies for Small Business program, I want to recognise those small businesses that recently won awards at the *Hills Shire Times* True Local Business Awards night, which I attended recently. These are great local businesses: Karin Murton Hair Design at Northmead, Bakers Delight North West, Sparks Shoes at North Rocks, Robert Cliff Master Jewellers, Spoilt Rotten Doggy Boutique at Castle Hill, Eurolounge restaurant and bar, Hillside Hotel at Castle Hill, Louis Carr Real Estate, Power Ford at Baulkham Hills, Norwest Child Care Centre, Hills Swimming at Kenthurst, Dural Flower Farm Florist and Tom's Family Butchery at Annangrove. I want to applaud and congratulate in particular these award winners for their fine products and services and for achieving so highly in each of their categories. It was so pleasing on the night to see the truth of industrial relations in this country. The truth of industrial relations in this country is that we have employers and employees working in partnership to produce great results most of the time. You can see this when you attend awards nights like that one and you see all of the employees and the employer celebrating the fine achievements that have come from such close cooperation and work.

It was great to be involved in the first national Pollies for Small Business program. The contribution of small businesses to the community is sometimes underestimated, and I enjoyed immensely the opportunity to raise the profile of small businesses in Mitchell. I will be working in this place to ensure that small business is in the spotlight of policy making in the coming years, especially with the collapse of consumer confidence and the tough times that small businesses are facing at the moment.

#### **Blair Electorate: RAAF Base Amberley**

**Mr NEUMANN** (Blair) (9.38 am)—It will be my privilege and pleasure this Friday to represent the Minister for Defence at RAAF Base Amberley in Ipswich, where I will be opening the building for No. 33 Squadron. I had the opportunity to participate in the Australian Defence Force parliamentary program, for which I was stationed—if I can put it like that—at RAAF Base Amberley between 4 August and 8 August. I want to thank group captains Rob McKenzie and Paul Hislop for their cooperation and their friendliness during the time, as well as all the personnel at RAAF Base Amberley. It certainly deepened my understanding and appreciation of the role and the operation of the ADF and of what goes on at RAAF Base Amberley. That says something for a person like me, who has lived in Ipswich all his life and who has played sport with and socialised with, worked with and even worshipped with members of the ADF.

The military has been an important part of the city of Ipswich since 1860. We call our football teams the Diggers and the Jets and we call our basketball team the Force, which is an indication of the affection with which we hold RAAF Base Amberley. I want to commend the Rudd Labor government for the expansion of the stage 3 redevelopment of RAAF Base Am-

berley. It is a \$331.5 million operation. It is a funding commitment to make the RAAF base at Amberley a superbase. It is good for the economy. It will bring in thousands more military personnel to the area and their families as well. We warmly welcome them. It will enhance the defence capability at the base. It will enable personnel mobility, morale and esprit de corps, training outcomes and also attraction and retention to be improved in the local area.

I witnessed a number of important developments. RAAF Base Amberley at the moment is like a construction site. I would also urge the government to think about a better use of the Amberley State Primary School, the land for which we have purchased from the state Labor government. I would like to see the cadets there use those facilities. I have publicly said that in the local media in Ipswich. I would urge the government to do so.

We also look forward very much to the 24 Super Hornets to be based at Amberley. It is a \$117 million commitment from the Rudd Labor government. We look forward to their arrival and their continuing operation for many years to come in the Ipswich area. It is tremendous for the local economy; it is tremendous for the local community. We love the military in Ipswich and we look forward to them being more involved in our local community. (*Time expired*)

#### Swan Electorate: Royal Perth Golf Club

**Mr IRONS** (Swan) (9.42 am)—I would first like to recognise that today is the birthday of Sir Donald Bradman, one of Australia's greatest sporting figures. Sir Donald would have turned 100 years old today.

Last week in my electorate I had the privilege of attending a celebration and re-enactment of an event that took place 100 years ago, on 22 August 1908. On that day 100 years ago the result of five years of hard work by a group of golf enthusiasts saw the opening of the South Perth Golf Links by the then Governor Admiral, Sir Frederick Bedford. The Governor and his vice-regal group teed off at 3 pm on that day. Once they had completed the then nine-hole course, His Excellency adjourned for tea and in a short speech declared the links open.

During the last 100 years the club was expanded to an 18-hole course and received a royal charter and is now known as the Royal Perth Golf Club. The current club president, Frank Bryant, and his committee invited me to attend the ceremony and participate in the re-enactment. The re-enactment subcommittee, ably led by Jeff Carr, a former club president and police minister in the Lawrence government, did a magnificent job on the day. The event was enjoyed by the 132 golfers who participated on the day and the 360 guests who attended the cocktail party that night at the clubhouse. The cocktail party was attended by local MLA John McGrath, the local mayor and many of the councillors, and South Perth CEO Cliff Frewing. On the day, local golf radio commentators Ian 'Chooky' Fowler and Keith Ellis were in attendance as well.

The Governor of Western Australia, His Excellency Ken Michael, and his wife, Julie, arrived by long boat at the Mends Street Jetty to be met by many club members dressed in period costume, which provided the local riverside restaurant clients with a spectacle they probably will not see for another 100 years. The group set off to walk to the golf club 10 minutes away with the support of our very capable WA Police Force, and Governor Michael unveiled a plaque at the front of the clubhouse. Governor Michael very nervously hit a drive—

and, might I say, a very straight drive—from the first tee at exactly three o'clock to re-enact Governor Bedford's drive 100 years earlier and to start the afternoon's event.

The Royal Perth Golf Club is an important part of the community, as are over 4,000 clubs and associations throughout Australia that have become the meeting places for our communities, our families and our children. They provide a family-friendly environment for people to meet and socialise and also provide many benefits to the community. This club is what could be described as a good corporate citizen and over the past five years it has raised, through its annual charity day or by allowing the course to be used by other charity groups, nearly \$500,000 for local charities and associations.

The golf club hosts the annual Telethon Day in Perth, which is run by former club captain Barry Trevenen. Some of the groups that have benefited from this fundraising are SIDS and Kids WA, NGALA, the Clontarf Foundation—which was mentioned last night by the Governor-General—the City of South Perth, Como Secondary College, Lady Gowrie Child Centre, Southcare, South Perth Primary School, Curtin Primary School, Kensington Primary School, Manning Primary School, Como Primary School, Collier Park Primary School, WA Youth Centre in Bentley, Edmund Rice Camp for Kids, the Speech and Hearing Centre, Holyoake, Cystic Fibrosis WA, Parkerville Children's Home, the Cerebral Palsy Association and the Constable Care Child Safety Project.

#### **Werriwa Electorate: Organ Donation**

**Mr HAYES** (Werriwa) (9.45 am)—I am registered on the Australian Organ Donor Register, Australia's only organ donor and tissue donor register and one that saves lives. It is the lifeline for many Australian people who are on organ donation waiting lists. I have produced a fact sheet which I hand out regularly at railway stations and community meetings, and I have certainly spoken on local radio encouraging my constituents, staff, family and friends to support this issue and to register, and, furthermore, to actually discuss this vital issue with their families.

I understand that presently there are almost 1,900 people at any one time on Australia's organ donation waiting list. They are waiting for kidneys, hearts, livers, lungs and pancreases. Some of these people will die on this waiting list. Last year across Australia there were just 190 donors. Their organs saved more than 600 people. This year, up to May, there have been 102 donors, and their organs have saved almost 350 lives.

Currently in New South Wales we have only 21 donors and we desperately need more. But more locally, in my electorate, we have Debbie Roberts, whose daughter Rebecca sadly passed away at age 20. Rebecca had discussed with her mum the issue of organ donation and, as a result of Rebecca's selfless donation, four people have been given the gift of life. Two people have received kidneys, and another two have received corneas. I do know that Debbie has received touching letters from grateful recipients of her daughter's organs. Whilst they do not know the names of the people, for privacy reasons, the families of those recipients regard themselves as heavily indebted to Rebecca. This is a local family from the Campbelltown region. What we see this family doing is giving the greatest gift that one human being can give to another, and that is the gift of life.

The most recent international figures available show that Australia has one of the lowest donation records. It has been recognised overseas, particularly in the UK and the US, that

public campaigns in the media and education about organ donation and the need for more organ donation actually work and lead to an increase in the numbers of eligible donors. That is why I have chosen this as a method to use in my electorate. Encouragingly, surveys indicate widespread support. As a matter of fact, 90 per cent of Australians favour organ donation. That is why this campaign takes on added relevance. We must transform these high levels of support into people becoming potential donors.

Since the establishment of the Australian Organ Donor Register, it has been effective in increasing the rates of people donating and consenting to donate. This is a campaign we all should get behind, as members of parliament, as people who are concerned about their communities. This is something that needs to be established across the board. (*Time expired*)

**Herbert Electorate: Townsville Hospital**

**Mr LINDSAY** (Herbert) (9.48 am)—Madam Deputy Speaker, you know, as we all know, that Townsville is Australia's largest tropical city. We have a level 6 hospital that services all of North Queensland. Yesterday, that hospital went on code yellow. What does code yellow mean for a hospital? It was the first time it had ever happened. What does code yellow mean? It means that, at three o'clock yesterday afternoon, there were 24 patients who could not get a bed. There were patients lying on beds in ambulances outside the door of the hospital.

Our community, our medical professionals and our state government have known for two years that the Townsville Hospital is not coping. Mr Beattie, the former Premier, came to Townsville and said, 'We'll build you an \$85 million new wing and provide more beds.' Nothing has happened. But what do the local state members—and there are three of them—do? In this morning's *Townsville Bulletin* we read:

Thuringowa MP Craig Wallace said Health Minister Stephen Robertson was 'aware the hospital is experiencing maybe its highest demand ever'.

Thank you, Mr Wallace! In the same article we also read:

Mundingburra MP Lindy Nelson-Carr said the inpatient bed shortage was caused by winter ailments ...

And:

Townsville MP Mike Reynolds said he was 'extremely sympathetic' ...

Well, for heaven's sake! That really helps, doesn't it! Three state members have known about this problem for several years, the entire medical profession have known about it for several years, and all they can say is: 'Oh well, it is winter,' and, 'Sorry to those 24 patients, but we cannot give you a bed—you will have to do something else.' I wonder what that something else is. How could the state government allow a level 6 hospital—a tertiary treatment hospital—serving the whole of North Queensland not to have any beds?

What to do about it? I certainly know how to solve the problem immediately. Yes, of course there is a master planning process going on. It has been very slow and it needs to speed up. We need the beds now. The solution to that is to get hold of the hospital administration and toss them out of the hospital and replace them with wards. The buildings are there, the services are there and the space is there. Just move the administration to an adjacent building—there is space to do that—and replace the floor area that they currently occupy with wards. That will immediately provide tens of new beds.

I appeal to the Minister for Health and Ageing and I appeal to the Premier: we are sick and tired in Townsville; please, please, please fix the problem. (*Time expired*)

#### **Oil Exploration**

**Mr GRAY** (Brand—Parliamentary Secretary for Regional Development and Northern Australia) (9.51 am)—A number of years ago I was working for a company called Woodside Energy, and at that time one of our main assets was in the West African nation of Mauritania, an impoverished nation on the West African coast where oil had never been looked for. At the time when the company for which I was then working began looking for oil, the global oil price was between \$10 and \$12.50 a barrel—if that seems plausible today. Oil had never been found. There was great exploration risk and great country risk. The fiscal terms in the contract that was eventually concluded reflected both international norms and the risk inherent in that country.

In 2001 a very fortunate and significant discovery was made. That discovery meant that massive mineral wealth from oil was available to that country. What was required was the creation of a regulatory, permit based regime with environmental standards, all supported by international norms and standards. The World Bank, the IMF and the European Union were engaged, along with industry funding, to create a regulatory regime that was world's best practice. Most importantly, the great principle of the Extractive Industries Transparency Initiative was put into place to require that all government revenues from the oil industry were publicly and transparently disclosed. This is a principle that underpins the oil industry in East Timor. The company for which I worked took this principle into Kenya, in East Africa—not an easy environment—and into Libya, in North Africa.

I note that a number of weeks ago there was an article in the *Melbourne Age* that reflected very poorly both on me and on employees of that company for the role that we played in bringing about the industrialisation and the development of the oil sector in that country. When asked by a journalist whether or not my company went by the book in this West African nation, I said that going ‘by the book’ in West Africa normally meant being corrupt. But we wrote a new book. We had to create a new book and we did that with the IMF, the World Bank and the European Union all working with us.

We did that also with magnificent support from the Department of Foreign Affairs and Trade, the then Australian government, and the support of the then Minister for Foreign Affairs and Trade, Alexander Downer. We had on board at that time an outstanding employee, Brendan Augustin. Brendan is a diplomat of significant status and standing and he earned himself great credit for being the person who argued the hardest and the toughest to get the Extractive Industries Transparency Initiative in place in that West African nation. Unfortunately, in the last two years there have been two coups in that nation—two significant changes of government—but the principles that we established to make sure a transparent oil regime is in place are there today thanks to Brendan.

#### **Fadden Electorate: Communities**

**Mr ROBERT** (Fadden) (9.54 am)—I rise to urge the Rudd Labor government to continue to fund the Stronger Families and Communities Strategy post June 2009, when the funding ceases after five remarkable and successful years. The negative impact of the program's cessation on the northern Gold Coast seat of Fadden should not be underestimated. This strategy

has been highly successful, and I call on the Rudd government to announce a renewal of the program no later than Christmas this year, just as the Howard government had promised to do.

On Monday, I met with Margaret Spriggs, based in the Oxenford and Coomera Community Youth Centre, a centre that enjoys my full and complete support. Margaret is the coordinator of the Northern Gold Coast Communities for Children Initiative, or C4C, a program currently funded by the Stronger Families and Communities Strategy. C4C focuses on developing and delivering education, support, a strong family unit and, most importantly, healthy fun for parents and their children. C4C offers initiatives in a safe environment for over 1,500 northern Gold Coast families every week. Projects cater for everyone in the community, from infants to older members. The program includes five early-year hubs, which are attended by over 700 families every week; mobile community centres that work to deliver activities in areas with no community centres; active and healthy childcare activities for 500 parents and children; a read and grow program; and Ready Set Learn.

C4C programs and many like them around the country help to hold our social and community fabric together, and it is outrageous to think that the Northern Gold Coast Communities for Children Initiative may be destroyed in June next year because of the dud Labor government's inability to continue to fund it. The current funding allows the Northern Gold Coast C4C to develop programs specifically tailored to develop and assist families and youth who have no community stimulation. The Howard government promised to renew the program for another four years. To date, there has been no indication of that from the dud government and there is nothing in the forward estimates.

**The DEPUTY SPEAKER**—The member for Fadden will stop that.

**Mr ROBERT**—Statistically, the Gold Coast has some of the highest negative national social indicators for child abuse and neglect, domestic violence and drug and alcohol abuse and has an acute abundance of families and individuals who suffer from extreme hardship and are socially disconnected from any form of family and friends. C4C has undoubtedly improved the social network and infrastructure of the northern Gold Coast. The program, its community development workers and the families whose lives it has enriched need assurance that this government cares about the social fabric that links the community and that this government sees the invaluable benefits to the community and will continue to fund the program. I take my hat off to Margaret Spriggs and her team of development workers, who go into the community every day. Margaret, I thank you, and the over 1,500 families you touch every week thank you. I implore the Rudd government to show that it understands by reinvesting in the program.

#### **Solomon Electorate: Jape Family Business**

**Mr HALE** (Solomon) (9.57 am)—I rise today to put on the record my congratulations to the Jape family for their significant business celebrations. Last week I had the pleasure of attending the Jape Furnishing Superstore's 30th birthday celebrations. As with so many Chinese-Timorese family businesses operating in Solomon, the history of the family and the store is fascinating. Jape Kong Su arrived in Darwin in 1975, just after Cyclone Tracy. Although he spoke no English and knew very little about Australia, he was able to establish and successfully operate a small business supplying urgently needed accommodation in Darwin. In 1977, he embarked on a major project by building the Jape Shopping Centre. The Jape Shopping Centre was a success and had a snowballing effect, as other developments started to emerge in

the aftermath of Cyclone Tracy. Two sons also started a new business venture, and the Jape Furnishing Superstore was opened in October 1978 at the Jape Shopping Centre.

In 1989, the furnishing superstore was relocated to its current address in the next big project, the Jape Homemaker Village in suburban Millner. Today the Jape Furnishing Superstore employs over 300 staff and is a leading domestic and commercial furniture supplier in the Top End. The Jape Homemaker Village has grown from strength to strength since then, to include national stores like The Good Guys, Spotlight and Freedom. Additionally, major franchise businesses such as Forty Winks and Fernwood Women's Health Club provide great options for people in Darwin and Palmerston. I know the people of Solomon enjoy shopping in the precinct, which offers a wide range of largely specialty stores in a convenient location.

Solomon is home to people from all corners of the globe, and this diversity has shaped our part of the world for the better, particularly in our local business community. In the business community, Territorians of Chinese origin provide profound benefits to the people of Darwin and Palmerston. Successful businesses operated by the Lai, Lee, Yap, Tchia, Mu and Lay families, to name but a few, have been significant in the development and prosperity of Darwin and Palmerston. I should also say that, just like all the Chinese-Timorese community businesses in Darwin, the Jape group not only serves Territorians in the business community but also is very active in the wider community by being involved in local community work and donating to charities, schools and social groups. Once again, I congratulate the Jape family, along with all the Chinese-Timorese family businesses, for their valued, continuing contribution to the people of Solomon.

**The DEPUTY SPEAKER**—Order! In accordance with standing order 193 the time for constituency statements has concluded.

#### **AVIATION LEGISLATION AMENDMENT (2008 MEASURES No. 1) BILL 2008**

##### **Second Reading**

Debate resumed from 26 June, on motion by **Mr Albanese**:

That this bill be now read a second time.

**Mr TRUSS** (Wide Bay—Leader of the Nationals) (10.00 am)—The Aviation Legislation Amendment (2008 Measures No. 1) Bill 2008 amends the Aviation Transport Security Act 2004 and the Civil Aviation Act 1988 to provide a more robust legal basis for air security officers to lawfully discharge their firearms on board aircraft. The air security officer program was introduced by the coalition government in December 2001 to address the threats of terrorism in the skies following the September 11 attacks. The presence of armed covert officers on domestic and international flights is part of a multilevel approach to enhancing security on flights in and from Australia. This measure is complemented by enhanced airport security procedures—better and more thorough screening, the presence of Australian Federal Police at airports and other security efforts. The air security officer program is another line of defence to ensure that the skies are safe for travellers.

Since December 2001, air security officers have been placed on a number of domestic and international flights to provide security for the Australian travelling public against the threat of hijackings. Many countries have similar programs, and the air security officer program introduced by the previous government meets international best practice. Australia also cooperates with the United States and other countries in the Asia-Pacific region to maintain security

on board aircraft. Air security officers are highly trained in negotiation skills and defensive tactics, and the use of firearms is always intended to be employed as a last resort. The officers are trained to respond appropriately and in accordance with the level of threat. Thankfully, there have been no incidents requiring an air security officer to discharge their firearm. Perhaps this is a testament to the effectiveness of the scheme. Certainly, it is a program which the coalition regards as a legitimate and necessary component of aviation security.

At the moment, the legislative basis by which air security officers may lawfully discharge a firearm on an aircraft occurs via the periodic issuance of notices under regulation 144 of the Civil Aviation Regulations 1988 by the Civil Aviation Safety Authority. These regulations permit air security officers to carry and discharge a firearm in the legal conduct of their duty without risk of prosecution. It has been suggested that the legal basis for this arrangement is unnecessarily cumbersome. The provision of such notices may also be inconsistent with the intent of the Civil Aviation Act 1988.

To provide greater certainty regarding the lawful conduct of air security officers, the legislation before us proposes to amend the Aviation Transport Security Act 2004 and the Civil Aviation Act 1988 so that new regulations can be made under this legislation to permit air security officers to lawfully discharge their firearms without risk of prosecution. These amendments would also permit an extraterritorial provision applying to Australian aircraft or aircraft engaged in Australian international carriage. This is to permit an air security officer to lawfully discharge a firearm on board an Australian aircraft outside Australian territory.

The opposition supports the air security program and any legislative effort to improve its efficient functioning. It was, as I mentioned earlier, an initiative of the former government. It is an initiative that is valuable and should be maintained. I therefore in this debate call on the Rudd Labor government to guarantee its future. To do so would be a sign that it takes this component of aviation security seriously. I raise this point in the light of what is at best disturbing ambivalence from the Rudd Labor government regarding the air security officer program. Earlier this year, there was a spate of media articles flagging that the number of air security officers was to be cut by one-third. The media reports also claim that the Rudd Labor government will reduce the rest periods that air security officers are permitted to take at the end of long-haul flights and that it is considering plans to rotate air security officers to other areas of the Australian Federal Police for periods of three months—in other words, to take them out of their fundamental role. Obviously, these measures will seriously compromise the capacity of air security officers to protect the flight deck in a security emergency. Unfortunately, the response of the government to these concerns has been totally inadequate. It has simply failed to give any assurances about the continuation of this program. For example, I note that the recent budget failed to offer explicit funding for the air security officer program beyond this financial year, and I am informed that redundancy offers are currently being circulated to air security officers. This is clear evidence that the numbers are being reduced.

I also note the evasive answers offered by Senator Ludwig in the other place in response to some specific questions by the shadow Attorney-General, Senator Brandis. On 14 February this year, during questions without notice, Senator Ludwig failed to provide any assurance that the Rudd government would not cut the air security program by the levels flagged in the media—in other words, by at least a third. Instead, the representative of the Attorney-General in the other place couched his answers in weasel words by citing ‘operational requirements’.

However, in spite of his attempts to fudge, he did admit that there had been changes in the presence of air security officers on international flights. So I ask the government again: will it guarantee the future of the air security officer program? Are the changes cited by Senator Ludwig simply code words for 'reductions'? Will the government keep the air security program at the level of the previous coalition government? Or does the government intend to play fast and loose with the security of the air-travelling public and cut the initiative further?

I appreciate that the operation of this program depends, at least to some extent, on it being secret, on people not knowing which flights the security officers are travelling on, because no-one has suggested that the nation can reasonably bear the cost of there being an officer of this nature on every aircraft. So there does need to be some level of confidentiality about the operations. But, if the service is not being reduced, if the government has nothing to hide, it could at least come out and guarantee that the service is being maintained at the levels that applied in the past and that there will be no reduction in the number of security officers being employed. Why are redundancy offers currently being circulated amongst employees? Unless the government can give some confident assurances to the people of Australia that this program is not being wound back, the public will have a right to be at least deeply suspicious that a veil of confidentiality is being used to cover up a sinister winding-back of this program. Who knows what risks there may be to the Australian travelling public?

I now turn to some of the particulars of the bill. I noted earlier that the coalition is happy to support any legislative amendment to make more efficient and effective the functioning of the air security officer program. One question I do have concerns the application of any extraterritorial regulation made under the Aviation Transport Security Act 2004. In raising this matter, I accept the need for an extraterritorial provision to apply to air services officers on an aircraft outside Australian territory. However, the opposition is concerned that such a provision will not lead to additional Australian regulatory requirements on overseas airlines in foreign jurisdictions. I refer specifically to section 134 of the bill, which states:

- (1) Any provisions of the regulations may be expressed to apply to and in relation to any of the following:
  - (a) Australian aircraft;
  - (b) aircraft (other than Australian aircraft) engaged in Australian international carriage;
  - (c) passengers on board, and members of the crew of, aircraft referred to in paragraph (a) or (b); while the aircraft are outside Australian territory.

Clearly, the above provision surpasses the current extraterritorial provision under section 6 of the Aviation Transport Security Act, which is limited to Australia aircraft and then on board the aircraft. I am concerned that the proposed wording may provide a precedent for the Office of Transport Security to tie any regulation to both Australian and foreign airlines' overseas operations in the air and on the ground. This matter had been raised with the opposition by the aviation industry, who are unhappy with the response that they have received from the Office of Transport Security to these concerns. As a consequence, I seek an assurance from the Minister for Infrastructure, Transport, Regional Development and Local Government that any extraterritorial regulation made under these new regulations will be solely in the context of the operation of the air security officers and that this legislation will not become a precedent to impose any further domestic obligation on overseas airline operations, both in the air and on the ground. I informed the minister's office during the briefing that he provided to my staff on

Monday that I would be raising this issue. I hope therefore that in his summary in response to this debate he can provide extra advice on the intent of section 134 of the bill and assurances that this will not be used to create a whole new precedent for and a whole new method of making regulations for the aviation industry.

Pending that assurance, the opposition are happy to support the bill. We strongly support the operation of the air security officer program. The fact that the Australian aviation sector has been free of terrorist incidents is important, and undoubtedly the presence of air security officers provides a deterrent to those of ill intent who threaten danger to our aviation industry. So I support the legislation but I do seek an assurance from the minister about the way in which the regulations will particularly apply. I would also strongly urge the government to give the Australian travelling public confidence that they have no plans to wind back this program, there will not be cuts to its budget, they are not seeking to reduce the number of air security officers and this program will be maintained as an important part of Australia's line against terrorism in aviation in this country.

**Mr CHEESEMAN** (Corangamite) (10.13 am)—The Aviation Legislation Amendment (2008 Measures No. 1) Bill 2008 deals with some of the harsh realities that our society must now face. It puts in place new regulations to be made under the Aviation Transport Security Regulations 2005 to permit air security officers, otherwise known as ASOs, to use their firearms on board aircraft in Australian territory or on board Australian aircraft in foreign territory. Of course, this must occur within the course of their duties. The situation today is that ASOs using their firearms cannot do so without the risk of prosecution. This bill will change both the Aviation Transport Security Act 2004 and the Civil Aviation Act 1988 to allow the use of firearms by ASOs under these conditions.

This is indeed a tough amendment. It is a complicated amendment but it is an amendment that as a member of parliament you do have to give some additional thought and attention to. These laws are for extreme circumstances. The fact is that, while 9-11 style incidents occur rarely and we do the best we can to prevent them, they do happen. They have happened and, in my view, they will happen again unless we take clear steps to prevent them. When they occur we need to have the laws in place to deal with the situation and protect our citizens, and we need to have the laws in place to protect the innocent citizens from other countries who may be visiting our country or on our aeroplanes operated out of our country.

I want to go through a little detail on the ASO program. The ASO program involves the placement of covert armed security officers on select domestic and international flights to protect the flight deck. The Attorney-General's Department has carriage of the ASO program, with the Office of Transport Security providing transport policy input and managing legislation provisions that support the program. Currently, the ASO program is underpinned by the ATSA, the Aviation Transport Security Regulations 2005 and the Civil Aviation Regulations 1988. These regulations and the acts under which they are made effectively permit an ASO to engage in conduct necessary for the performance of duties that would otherwise be contrary to Commonwealth legislation—for example, the possession of a firearm on an aircraft.

There is no point having these laws and regulations without the personnel carrying them out clearly understanding what their position is. The purpose of the ASOs is for security on aircraft. At the moment the ASOs know that under the current regulatory environment they run the risk of being sued. In an extreme crisis situation such as these people are being trained

for, there needs to be clarity around their rights and responsibilities. The situation at present is dealt with by CASA issuing periodic notices. The current notice expires on 30 June 2008. The AGD, CASA and the OTS have agreed that these notices should not be renewed as they imply that it is safe to discharge a firearm on board an aircraft. It would be much better to replace the notices with new regulations under the ATSR to provide a more appropriate basis to deal with the discharge of firearms.

The other important matter in this bill is the operation of these regulations in places other than Australia. ASOs operate internationally and it is important these provisions are given effect internationally, or 'extraterritorially', as the terminology has it. The Australian Government Solicitor has said that the ATSA, and thereby any regulations made under it, does not currently have extraterritorial operation. Therefore, also contained in this bill are provisions giving powers under the ATSA to enable regulations to have effect extraterritorially. The specific effect of this is that these regulations will now apply to Australian aircraft or aircraft engaged in Australian international carriage and the crew and passengers on board these aircraft.

Leaving aside the technical aspects of this bill, it is pretty simple. It is about providing a greater level of security for our flying public. The program which this bill forms only a part of involves the placement of covert armed security officers on select domestic and international flights to protect the flight deck and personnel. It is a sad comment on our society that we now have to take these measures. I sincerely wish it were otherwise. But we all know that today we live in a world where, for whatever reason, people arrive at or are driven to beliefs and actions that are so extreme they will do anything to get a point across or to pursue their beliefs. We know that aircraft are being targeted now as potential weapons of mass destruction, with innocent passengers' lives treated as inconsequential. September 11 showed the reality of the risk and the horrific impact on thousands of families when there is not in place a strong aviation security system. This bill is part of an improved security system to protect the innocent against such attacks. I commend this bill to the House.

**Mr CLARE** (Blaxland) (10.19 am)—There are no prizes for guessing what day air security became a major political issue in this country. When on September 11 2001 three hijacked planes struck domestic United States targets and a fourth crashed after passengers sought to retake control of the aeroplane, the world changed. The parliament was quick to pass measures to strengthen air security in this country. By 19 October 2001, the minister had announced new measures to protect air security, including placing air security officers on domestic and international flights. The air security officer program commenced in December 2001, with air security officers deployed to fly on domestic flights. To date, the program has expanded to also cover some international flights to Singapore and the United States. Air security officers are specially trained AFP officers who are armed when travelling and travel in teams of two or more. The pilot is the only person on board, other than the air security officers themselves, who is aware that there are armed security officers on board. According to the AFP, the integrity of the program relies on these ASOs blending in with other travellers. The random and covert nature of these deployments is considered to be an important deterrent to any attack on board a flight.

Unfortunately, the threats that air security officers work to prevent are very real. On 29 May 2003, a Qantas Boeing 717 flight from Melbourne to Launceston was the scene of an onboard knife attack that injured two crew members and two passengers. Thankfully, the as-

sailant was subdued before doing any further damage. But these threats need to be prevented, and air security officers need to be empowered to do their job of protecting airline crew and the travelling public.

So what does the Aviation Legislation Amendment (2008 Measures No. 1) Bill 2008 do? The measures in this bill will permit air security officers to lawfully discharge their firearms on board an aircraft in Australian territory or on board an Australian aircraft in foreign territory. The lawful discharge of a firearm can only occur in the course of their duties—and that is an important point to make—in preventing unlawful interference with an aircraft. Unlawful discharge risks prosecution. The system, as I understand it, will be equivalent to that which applies to police officers.

Before becoming a member of parliament, for four years I was an adviser to the police minister in New South Wales. I got some experience working in the area of police powers and worked with the Police Association and the police service in New South Wales to make sure that police had the powers they needed to do their job. Those powers included those following the implementation of the new gun laws across the country in 1996, which were measures—very good measures—introduced by the Howard government. There was also the introduction of other laws, like move-on powers, knife law legislation and drug house laws. The important point is that the people who have an obligation to protect us must be given the powers they need to do their job. They need to be given the skills and the resources that they need. I know the member for Werriwa would concur with that, having worked in this area as well.

Existing regulations do not allow an air security officer to discharge a firearm in an aircraft without the risk of prosecution. Obviously, this puts them in a pretty unworkable position, and that legislative defect has until now been addressed by the periodic issuing of notices under regulation 144 of the Civil Aviation Regulations. This bill moves the existing set of regulations from the safety legislation framework to the air security legislative framework. The bill also deals with the complicated extraterritorial issues created by the air security officers program. Extraterritoriality refers to the effect of the laws that apply beyond our national jurisdiction. The Australian Government Solicitor has advised that the Aviation Transport Security Act, and thereby any regulations made under the act, does not currently have extraterritorial operation. This means that, unless the act is amended to enable regulations to have extraterritorial effect, a regulation cannot be made under the Aviation Transport Security Regulations to permit an Australian air security officer to lawfully discharge a firearm on board an Australian aircraft outside Australian territory. The bill will amend the regulation, making the power under the Aviation Transport Security Act to enable the making of regulations that have extraterritorial operation. The amendment will be modelled on existing section 27 of the Air Navigation Act 1920. Under this approach, regulations will only have extraterritorial operation if specified and will only apply to Australian aircraft or aircraft engaged in Australian international carriage and the crew and passengers on board those aircraft.

The bill also makes a small technical amendment to the Civil Aviation Act. Section 23 of the act currently says that an aircraft or person must not, amongst other things, carry dangerous goods on board an aircraft except in accordance with the Civil Aviation Act or with the written permission of the Civil Aviation Safety Authority. So a minor technical amendment to section 23 is required to make it clear that an aircraft or person must not carry dangerous goods on board an aircraft except in accordance with the Civil Aviation Act or with the writ-

ten permission of the Civil Aviation Safety Authority or in accordance with the Aviation Transport Security Regulations.

We all have a duty to ensure that passenger aircraft in this country are as safe as possible and, in a post September 11 environment, the air safety officer program is an important part of ensuring this safety and protecting aircraft crews and the public from threats that could evenuate midflight. I hope that air safety officers never have to discharge a firearm on board an Australian plane, but I am glad that there are men and women who are willing, trained and able to do so if the need arises. The least we can do as legislators is to ensure that they are not in the position of being prosecuted for doing so. These laws provide quite properly for the exceptional and terrible circumstance where it is necessary for them to discharge their weapon to protect passengers, the crew and the safety of an aircraft. I think that is appropriate and I think it is the least that we can do. I commend the bill to the House.

**Mr ALBANESE** (Grayndler—Minister for Infrastructure, Transport, Regional Development and Local Government) (10.26 am)—in reply—I rise to thank members for their comments on and contributions to the debate on the Aviation Legislation Amendment (2008 Measures No. 1) Bill 2008. Australia's aviation security regulatory framework has multiple layers of protection to ensure passengers in our aviation industry are safeguarded and it is able to respond quickly to threats of unlawful interference with a plane. This bill makes technical amendments which will enhance the air security officer program. The air security officer program places covert armed security officers on select domestic and international flights to protect the flight deck. Currently air security officers are allowed to discharge firearms on board an aircraft through exemptions granted under safety legislation. The government is concerned that providing ongoing exemptions for officers under safety legislation is inconsistent with the purpose of safety legislation. This is because the exemptions imply that it is safe to discharge a firearm on board an aircraft. To fix this, the bill amends the regulation-making power under the Aviation Transport Security Act 2004.

Currently, section 6 of the act allows offences to be created under the act for all aircraft engaged in Australian international carriage. However, it does not allow regulations that would overcome offence provisions containing other legislation, such as an offence for discharging a firearm as contained in the Crimes (Aviation) Act 1991. The proposed new section 134 creates a regulation-making power sufficient to address this problem within the geographical coverage of the current offence-making power. This will allow regulations to be made permitting on-duty air security officers to lawfully discharge their firearms on board an aircraft in the Australian territory or on an Australian aircraft in foreign territory if it is for the purpose of preventing or responding to an act of unlawful interference with aviation.

This bill will provide an appropriate and permanent basis to deal with the lawful discharge of firearms by air security officers under aviation security legislation. I note that the Board of Airline Representatives of Australia have expressed concern that this amendment extends the powers of the Aviation Transport Security Act into operations that are currently not subject to the act. I can assure the Board of Airline Representatives of Australia that the government does not intend to use aviation security legislation to interfere with the legitimate operations of airlines beyond the minimum necessary to ensure the secure operation of Australian aviation. I commend the bill to the House.

Question agreed to.

Bill read a second time.

Ordered that the bill be reported to the House without amendment.

**AVIATION LEGISLATION AMENDMENT (INTERNATIONAL AIRLINE LICENCES AND CARRIERS' LIABILITY INSURANCE) BILL 2008**

**Second Reading**

Debate resumed from 26 June, on motion by **Mr Albanese**:

That this bill be now read a second time.

**Mr TRUSS** (Wide Bay—Leader of the Nationals) (10.30 am)—The Aviation Legislation Amendment (International Airline Licences and Carriers' Liability Insurance) Bill 2008 implements elements of the previous coalition government's 2005 aviation discussion paper. It will address some regulatory issues associated with oversight of the system of international airline licences and mandatory airline insurance. The international airline licence system, established under the Air Navigation Act 1920 and its accompanying regulations, ensures that scheduled international air services occur in accordance with bilateral air services agreements struck between Australia and our international aviation partners.

There are, however, inefficiencies associated with the administrative framework of international airline licences. One such problem is that, once issued, international airline licences remain in force indefinitely and the conditions associated with that issuance are difficult to vary. This has led to licences remaining in force even though the airlines they were issued to have ceased to exist or to operate services to Australia. Licences also may not reflect new requirements, creating discrepancies based on the time of issuance. Interestingly, this system of perpetual licensing was introduced in 1994 by the Keating Labor government, and the previous coalition government recognised the need for it to be modernised.

This bill will end perpetual licensing. It will implement a scheme where existing international airline licences will be cancelled and reissued with standardised and updated conditions. The bill will enable the making of regulations to achieve this objective. Airlines will have to demonstrate their compliance with safety, security and insurance regulations to be reissued with a licence. This change will ensure that international airline licences remain consistent with the latest aviation practice and relevant international agreements. Regulations are disallowable instruments, and the coalition will ensure that any regulations made are appropriate—that they protect the safety of Australians who travel by air but do not impose unreasonable burdens on the aviation industry.

The new system will allow airlines to appeal to the Administrative Appeals Tribunal in the event an international airline licence is not granted by the Civil Aviation Safety Authority. It will also clarify the application of international airline licences to common commercial aviation agreements such as code sharing, where two airlines sell tickets for the same flight, and wet leasing, where one airline sells tickets for a scheduled international service but hires the aircraft and crew from another airline to operate the flight. Additionally, the Civil Aviation Safety Authority is currently limited in its ability to regularly audit and enforce the rules regarding non-voidable insurance for passenger-carrying air operators. Under the proposed new system, the entire regulatory framework for international airline licences will move under the Air Navigation Regulations 1947. This will simplify the current system.

The bill proposes that air carriers be required not to obtain a certificate of compliance from the Civil Aviation Safety Authority before operating a flight but to provide a declaration that they have appropriate insurance. Failure to provide such a declaration would incur a minor administrative penalty. The authority to carry passengers, however, will only be valid whilst carriers hold appropriate insurance. If the insurance were to lapse, the authority to carry passengers would automatically lapse. Carrying passengers under these circumstances would trigger criminal sanctions.

The Civil Aviation Safety Authority will also be given authority to regularly audit air carriers and ensure that they are in compliance with mandatory insurance rules. This will streamline the administrative processes and enable the Civil Aviation Safety Authority to proactively enforce insurance requirements for air carriers. To date, the current system surrounding the issuing of international airline licences and carriers' liability insurance has not resulted in any major breaches of public safety, and such a breach may never occur. The coalition accepts, however, that this regulatory framework can be finetuned and improved. That is why, under the previous government, the then Department of Transport and Regional Services issued a discussion paper in 2005 proposing a number of changes to Australian aviation regulatory processes. Such changes included revising the system of perpetual licensing introduced in 1994 and the system of mandatory carriers' liability insurance introduced following the Monarch Airlines crash in 1993.

The coalition discussion paper also suggested that Australia should accede to the Montreal convention. Parliament has now approved a bill doing just this and the coalition—in fact, all parties—were happy to support our accession to that convention. Likewise, the coalition are willing to support further implementation of the changes suggested in the paper, such as fine-tuning the system of perpetual international air licences and the rules regarding mandatory carriers' liability insurance. The discussion paper was widely circulated amongst the Australian air travel industry in 2005, and its proposals met with the approval of key aviation stakeholders. Further consultation with carriers, including our major airline operators in Australia, has confirmed that these measures still enjoy industry support. The coalition are proud of our efforts in government to modernise Australia's aviation legislation. We supported acceding to the Montreal convention and are happy to support the latest round of changes to improve efficiency in the air travel industry and to protect Australian passengers.

**Mr CHEESEMAN** (Corangamite) (10.37 am)—I am pleased to be one of the first speakers on the Aviation Legislation Amendment (International Airline Licences and Carriers' Liability Insurance) Bill 2008. This is obviously an important bill for the future protection of standards in airline licensing and for improving insurance compliance issues, but it is also an important bill in that it continues to build a regulatory regime that creates a stable and secure environment for operators in the industry. This bill also gives me the opportunity to talk about the establishment of Avalon as a future international airport site and how important this is to the future of my region. But I will get to that later.

Firstly, the thrust of the bill, the direction of the bill, is about maintaining Australia's reputation for having the safest, best regulated and best quality airline industry in the world. Mr Deputy Speaker, it probably would not surprise you if I said that there was often a lot of hyperbole in this place. There have been times when there has been an overstatement or two, but it is not an overstatement to say that Australia does have the reputation for the safest airline

industry in the world, and the importance of that reputation cannot be overstated. Just on this note, I cannot let the moment go without mentioning what seems to be a worrying spate of recent incidents with an important Australian airline. I am, like many Australians, watching this very closely. I am sure the airline is watching this closely and checking its systems, and I hope this run of incidents does not continue. However, that matter aside, this amendment bill is another step in ensuring that we keep the mantle of having the world's safest airline and the world's best airline industry.

The Aviation Legislation Amendment (International Airline Licences and Carriers' Liability Insurance) Bill 2008 will improve two regulatory programs related to the aviation industry. It will amend the system of international airline licences so that the conditions attached to those licences can be standardised and the government's capacity to audit compliance can be enhanced. It will also amend Australia's system of mandatory carriers' liability insurance to streamline the administrative processes and grant the civil aviation authority, CASA, improved powers to audit and enforce compliance with this scheme.

There are two important decisions. Having standardised, agreed licence conditions which are of a high standard is a big step forward in the airline industry. However, having standard conditions for licences is one thing; the real test is enforcement of those conditions. How many times have we seen good laws and good regulation become useless laws and useless regulation because of a lack of compliance? I have seen that a lot in my lifetime, particularly in my time on council, and it is certainly something that I look forward to ensuring does not happen in this place. Another important purpose of this amendment is to make sure that there is not another example of that. This amendment actually improves the capacity of the government to audit international airline licences so that compliance is improved. In my view, that is extremely important. It is absolutely important in this industry that we have rigorous and uncompromising compliance regimes.

This amendment also deals with insurance. Insurance is an integral part of the airline industry. Insurance is a significant cost to the industry. The Civil Aviation (Carriers' Liability) Act 1959, the carriers' liability act, requires carriers to maintain minimum levels of insurance to protect passengers in the event of an accident. The scheme is supplemented by provisions in the Civil Aviation Act 1988 which allow CASA to enforce the requirements as a part of their management of safety issues via the air operator certificate process. This bill improves the ability of CASA to proactively enforce insurance requirements for air carriers. Importantly, for operators, the bill also streamlines administrative processes.

Going into a bit of detail on this bill, it is important to know that the system of international airline licences is established under the Air Navigation Act 1920 and the regulations that go with it. International airline licences make sure that we comply with bilateral air service agreements and arrangements. These are important agreements between Australia and our international aviation partners. International airline licences must be compliant with these agreements because they are effectively final checking mechanisms of various safety and security protocols that must be in place before commencement of operations.

After consultation with the industry, it was clear that a number of technical problems exist with the existing administrative framework for international airline licences. To give you just one example: under the current provisions of airline licensing, once a licence is granted it lasts forever unless an airline contravenes a provision in the Air Navigation Act 1920, the Air

Navigation Regulations 1947 or the conditions in the licence itself. Today licences exist for airlines that were long ago defunct. The bill will move the entire regulatory framework for international airline licences into the Air Navigation Regulations 1947 and give the regulations the capacity to deal with the granting, variation, suspension and cancellation of international airline licences by the secretary of the Department of Infrastructure, Transport, Regional Development and Local Government. The regulations will then be updated to rectify the current administrative deficiencies in the international airline licences system and enhance auditing processes. I think this builds on an already strong regulatory system for our airlines; it improves them even more. The strength and robustness that our airline licensing and regulatory system generates generally is important when establishing new airport facilities.

I want to take this opportunity to talk about a very important aviation licensing issue in the region of which my electorate forms a part. I also note that the federal member for Corio is here. I think the strength of the airline regulatory system overall bodes well for the ultimate establishment of Avalon Airport, not just as a domestic airport but ultimately as one of Australia's most important international airports and a very important airport for my region. It is very important that these sorts of regulatory systems are in place so that people have the confidence in new and establishing airports like Avalon. I do believe that one day we will see Avalon as an international airport. I note that the Australian government, the Rudd Labor government, has no objection in principle to the establishment of an international terminal at Avalon Airport and encourages new international services.

I would like to put on record my sentiments about Avalon and its importance to the region. Firstly, I want to say this: clearly if Avalon went international the tourism industry in my region would go to a whole new level. In short, tourism would go ballistic. The boost to existing levels of tourism in the city of Geelong, the Otways and of course the Great Ocean Road would be just huge. Job numbers and the range of jobs in tourism would just explode. Tourism would also explode across the Bellarine Peninsula, the Surf Coast, Colac Otways and of course Geelong itself. Local jobs for tens of thousands of people moving into the area are very important. That is just the most obvious impact.

Of greater significance again would be the broader industry benefits, and those are the real key. Geelong is currently at the start of a major industry transition process. We are diversifying from traditional manufacturing and looking to future industries. There is a wide range of industry groups, academics and companies working on this transition. The greater Geelong region today has its eyes firmly focused on the future. We are looking at high-tech manufacturing, advanced health research and bioindustries. An international airport at Avalon is absolutely vital in assisting the region in diversifying from traditional manufacturing and to high technology and high-skill industries in the future. An international airport at Avalon would boost all these industries. An international airport would bring specialist service skills in itself. It would also give us the ability to bring in products just in time for other industries and to export products more efficiently. It could spawn new aquaculture or other food product industries, for example, and our region is doing a lot of work on that. It would allow visiting experts and delegations to land on our doorstep in a fully modern city.

The establishment of an international airport at Avalon would benefit our region immensely, and I am 100 per cent behind that push. I also understand the caution that is needed to get it right. An international airport at Avalon would mean moving Australia's border to our

very own doorstep. Avalon would become Australia's border. There are very important issues of security, quarantine and customs. This would require a very thorough major development plan. It would require not just a good licensing and airline insurance system but an airport plan that would serve us all well for decades to come. As I understand it, the landowner of Avalon, the Australian Department of Defence, would be pleased to receive a fresh major development plan for consideration. I also understand Avalon are keen for the development of international services from the airport and will be submitting a new proposal for the consideration of Defence, hopefully in the not-too-distant future. I hope very much for the sake of the region, for the future of the region, that this goes ahead.

This bill that we are considering today, which is about the integrity of our airline licensing system, gives me confidence. It gives me confidence that we have the regulatory structures in place to protect air travellers, protect operators and one day allow the people of Geelong to fly overseas from Avalon with all of the confidence in the world of making it there and back safely. It also gives me confidence that the local airline industry in our region can one day soon have international carrying capacity, bringing new industries to our region and exporting our products to the world. Avalon is very important for our future in our region. I commend this bill to the House.

**Mr MARLES** (Corio) (10.50 am)—I think this is the first occasion on which I have followed my colleague and neighbour the member for Corangamite either in the House or here in the Main Committee. Clearly it is Geelong day today in the Main Committee, as evidenced by the member for Corangamite and me being here now—as it will be of course at the MCG in just over a month! We wait with great anticipation for that event. I congratulate the member for Corangamite on what he has just said about Avalon and echo his sentiments in relation to that. What you have just heard is a very erudite rendition of the issues which face Avalon and why Avalon is so important for the Geelong region, and I completely concur with my colleague's statements in relation to that. I will refer to Avalon a bit later in my speech, but I think he has put the issues very well and it is very important for us as a country to deal with that.

I rise today to speak in support of the Aviation Legislation Amendment (International Airline Licences and Carriers' Liability Insurance) Bill 2008. It seeks to amend the Air Navigation Act 1920, the Civil Aviation (Carriers' Liability) Act 1959 and the Civil Aviation Act 1988. This bill will introduce and amend measures in relation to international airline licences and carriers' liability insurance. On international airline licences, in essence this bill moves the regulatory framework into the Air Navigation Regulations 1947, which exist as part of the Air Navigation Act 1920. It will put into the power of the Secretary of the Department of Infrastructure, Transport, Regional Development and Local Government the ability to deal with licence alterations. It will also update existing administrative deficiencies in the international airline licence system. In relation to insurance, this bill will toughen, it will improve, the insurance requirements for international airlines and it will enable CASA to have better abilities to audit and enforce those insurance requirements while also improving the administrative processes which surround that. The culmination of all of this will be to provide greater clarity and assistance to Australian aviation operators in dealing with all of these administrative processes. It will enhance insurance provisions and it will ensure the interests and safety of the Australian travelling public.

The aviation industry, in particular the international aviation industry, is a growing industry worldwide—it is certainly a growing industry in this country. The first scheduled international service arrived in Australia in December 1934, and the international aviation industry as it stands now would be beyond the wildest imaginations, one expects, of the pilots who flew that first plane back then. Just over 50 years later, in June 1985, there were 30 licensed international carriers trafficking just under five million passengers in and out of Australia. Now, two decades on from that, we see that these figures have grown exponentially again: in 2007, 22.7 million passengers travelled with 55 licensed carriers on almost 120,000 separate flights in and out of Australia. This is an industry which is growing despite the whole lot of adversity it has experienced over the last decade. We have seen jet fuel prices in Australia more than double in the five years from June 2002. We saw rising insurance costs in the wake of September 11 2001, and we saw a decline in international aviation travel as a result of that event. And we have seen increased airport usage costs which, in turn, when one thinks about security, relate to that event as well.

But in the face of that we have seen an industry which has continued to grow such that in the June quarter of last year the aerospace industry in this country accounted for almost three-quarters of one per cent of national GDP. Yet it is an industry which was consistently let down by the former government, and the delay in this needed legislation reaching this parliament is another example of that. On 28 May this year I rose to speak in support of the Civil Aviation Amendment (1999 Montreal Convention and Other Measures) Bill 2008. That was in essence a bill which ratified Australia's obligations in relation to international carrier liability insurance as prescribed under the Montreal convention. It was in June 1999 that the then Minister for Transport, the then leader of the National Party and Deputy Prime Minister, John Anderson, the former member for Gwydir, announced a consultative process with a view to ratifying the Montreal convention. That occurred in June 1999. Yet by the time of the November election last year, in 2007, absolutely nothing had been done to ratify that convention. It took this government to pull that off the shelf, dust it off and put it into action. The Civil Aviation Amendment Bill was ultimately passed by this parliament on 26 June this year.

In this bill we have another example of failure on the part of the previous government to do anything meaningful for the aviation industry in this country. We have seen a complete lack of will on the part of the conservative parties in this country to put their shoulder to the wheel and do some hard work in the area of aviation. We saw an inability on their part to commit resources to assisting one of this nation's most important and growing industries to conduct their business better and to conduct it with greater security and at the same time with less red tape.

The origins of this bill in relation to international airline licences can be traced back to September 2005 when the then government released a discussion paper. Shortly after that the feedback from the stakeholders was received and collated; it was positive in relation to moving down the path that we are currently moving down today. So from the start of 2006 until the end of the Howard government in November 2007 they were completely aware that the aviation industry wanted the measures that we have before us today, yet they did absolutely nothing. For more than half of their final term in office, the Howard government did absolutely nothing on the issue that we are talking about today except squabble amongst themselves as to who should be the leader and look in desperation at the election which they had to

face at the end of last year. While busy with its infighting, the Liberal Party did nothing to help an industry which now represents almost three-quarters of one per cent of national GDP—an industry which, as I said, ferries 22 million international travellers in and out of this country. It is an industry which is absolutely integral to the future of this country, and the Howard government did nothing about it. But this country can now relax in the knowledge that the Rudd government is in place and is here to support the nation's aviation industry and the nation's travelling public. That is what we did when we passed the civil aviation bill earlier this year and that is what we are doing in dealing with this bill today, the Aviation Legislation Amendment (International Airline Licences and Carriers' Liability Insurance) Bill 2008.

Going to the bill specifically, previously I noted that this can be thought of in two distinct parts. The first is in relation to improving the system of international airline licences and the second is in relation to improving the system of mandatory airline insurance. I will start with international airline licences. The international airline licence system that we have in this country was established under the Air Navigation Act 1920. The licences which are provided under that act serve an important purpose. They serve for scheduled international air services the function of making sure that there is compliance with bilateral air service agreements and with the arrangements which exist between Australia and its international aviation partners. As well they provide a final checking device to ensure that the safety and security obligations of the international airlines which currently operate in our skies meet the obligations under those airline licences. So these international airline licences, as a piece of architecture, are clearly critical to the whole system of air safety in this country. The amendments in this bill in relation to that system will strengthen the existing provisions and safety guards which are provided under those licences and in the same breath remove the excessive complexity which exists around them.

The current situation pertaining to international airline licences is one which sees international airline licences, once given, remain in force indefinitely—barring, of course, a contravention by the licence holder of any of the obligations contained in the licence. That has over the years become out of date, if you like, and created a range of anomalies. It has given rise to the situation where a number of licences exist for airlines which no longer operate in Australian skies. It has also given rise to other anomalies by virtue of the changing nature of the regulatory regime over the years. Depending on when a licence was given, the obligations under it may differ from those of a licence given at a different time. So for each of the licences that now apply there are different obligations. That gives rise to inconsistent regulation across the whole sector. It also gives rise to a nightmare for the regulatory authorities trying to audit these licences and ensure that there is compliance, because the obligations under the regulations differ from one licence to the next.

This bill, first of all, seeks to rectify that situation. It does so through a number of means, and there are two that I specifically want to refer to. Firstly, it moves the regulatory framework for all international aviation licences into the Air Navigation Regulations. In doing so, it gives the power to the Secretary of the Department of Infrastructure, Transport, Regional Development and Local Government for the granting, variation, suspension and cancellation of international airline licences. That is an important administrative step forward. Significantly, this bill will also provide for time constraints on the licences—that is, the licences will exist for a particular period of time and there will be an obligation on the part of the holders of in-

ternational airline licences to have those licences renewed on a periodic basis. That in turn will mean that the regulations and obligations which flow from those licences will be consistent from one carrier to the next.

This begs the obvious and important question about whether or not that will increase regulatory burden on the licence holders. But I am happy to report to the Committee that there has been extensive consultation with the currently operating international airlines in this country on this provision. They do not anticipate that there will be any problems with complying with these requirements and they are quite happy to do that. It is important to note that, in circumstances where for whatever reason a licence is withheld as a result of measures in this bill, an appeal process will allow review by the Administrative Appeals Tribunal. The government believes that the provisions contained in this bill, as they relate to international airline licences, will provide the travelling public with much greater safety by standardising the requirements of international carriers operating in Australia and will assist the operators themselves in clarifying and simplifying their regulatory and administrative obligations under the international airline licence system. As I stated, this is a measure which is long overdue.

In relation to airline carriers' liability insurance, the existing provisions can be found in the Civil Aviation (Carriers' Liability) Act 1959, which are supplemented by provisions in the Civil Aviation Act 1988. These acts in combination require that carriers operating in Australia maintain minimum levels of insurance to cover passengers for loss in relation to any accident. They also enable CASA to enforce insurance requirements as part of the air operators certificate process. This bill also puts in place important reforms in relation to that process. It will make it absolutely clear that an air operators certificate is only valid—and, as a consequence, the operator is only legal to fly—if there is insurance maintained under it. If, for whatever reason, that insurance lapses then the certificate lapses and it becomes illegal for operators to fly in those circumstances. It becomes illegal in circumstances where there will be significant penalties imposed upon the operators themselves—penalties which ultimately go to criminal sanctions. So this is a very important strengthening and toughening of the regime in relation to insurance.

To complement that, this bill also provides for improved auditing powers on the part of CASA in relation to enforcing air operators' insurance requirements. We are beefing up the powers of the regulatory authority to ensure that the insurance is in place. In the same breath as doing that we are easing the regulatory burden and cutting the red tape for these airline operators when it comes to meeting their insurance requirements. Currently it is incumbent upon these airlines to obtain a certificate of compliance from CASA in relation to their insurance. What will be sought as a result of this bill is simply a declaration from the operators that they have that insurance in place. Indeed, a failure to meet that particular notice requirement will be met with a small administrative penalty, but it will not prevent an airline from flying—provided, of course, that the insurance is actually in place. So while on the one hand we are toughening up the substance of this regime, on the other hand we are actually cutting the red tape to make it easier to comply with on the part of the airlines.

The member for Corangamite, who has just spoken, mentioned Avalon Airport. I want to briefly mention it as well. He has said how important Avalon Airport is to my electorate of Corio, to his electorate of Corangamite and to the entire Geelong region. At the moment it is a domestic airport which links into an international network. But, as the member for Coran-

gamite said, we have very strong aspirations for this airport to in time become an international airport. I have spoken on that often in this place and I do not intend to repeat that now other than to say that it is absolutely imperative, as the member for Corangamite has said, that Avalon does become an international airport.

In that context, this bill becomes very important. If Avalon becomes an international airport we will of course see as a result more Geelong people travelling internationally. So this regime, which puts in place more secure and safer airline travel—and airline travel which has more comprehensive insurance requirements as part of it—will be very important for both my constituents and the constituents of my colleague, the member for Corangamite. It is a very important measure for our country; it is a very important measure for the city of Geelong.

In conclusion, this is another piece of legislation which should have been before the House years ago. It has a very small impact on the public purse. It is ultimately another example of the failure of the Howard government; it is another example of the inaction of the Howard government—particularly during its death throes in its last term in office. This is something that has been sitting on the books for years now and should have been before us way before this time. But it is good news that it is before this chamber now and that we have in place a government which is committed to ensuring the future of the Australian aviation industry. It is doing the detailed work to make sure that we have a safer and more secure industry for those who are travelling on airlines but also an industry which has the red tape removed from it so it is easier for those airlines to conduct their business in this country. This bill supports the interests of the aviation industry. This bill also increases the safety of travel for the Australian travelling public. I commend this bill to the House.

**Mr CLARE** (Blaxland) (11.10 am)—I welcome the opportunity to make a contribution to this important debate on the Aviation Legislation Amendment (International Airline Licences and Carriers' Liability Insurance) Bill 2008. It is an important bill because it will facilitate the much needed overhaul of two important aviation industry programs. Firstly, it will amend the system of international airline licences, IALs, so that the conditions attached to the licences can be standardised and the government is able to check that airlines are complying with licence conditions. Secondly, it will amend Australia's system of mandatory airline insurance to streamline the administrative process and grant the Civil Aviation Safety Authority, CASA, improved powers to audit and enforce compliance with the scheme. The system of international airline licences will be revamped so that existing licences can be reissued with standardised and consistent conditions. Our system of IALs makes sure that flights are conducted in accordance with the bilateral agreements Australia has with our aviation partners. It also provides for a final checking system to make sure that all the safety, security and insurance approvals are in place before an airline starts services.

The system that has been evolving for decades has been hampered by the government's limited ability to cancel, amend and audit licences. Under the existing system, licences are on issue to airlines that no longer exist or that no longer fly to Australia. Different licences are subject to different conditions, and the government has limited ability to check that airlines are actually complying with the conditions. This bill will remove the entire regulatory framework for IALs in the Air Navigation Regulations 1947. Regulations will later be drafted to deal with the granting, variation, suspension and cancellation of IALs, rectifying the current administrative deficiencies of the system. This bill will give regulations the capacity to deal

with the granting, variation, suspension and cancellation of international airline licences by the Secretary of the Department of Infrastructure, Transport, Regional Development and Local Government.

The bill also amends Australia's system of mandatory carriers' liability insurance to streamline the administrative processes and grant CASA improved powers to audit and enforce compliance with the scheme. The Civil Aviation (Carriers' Liability) Act 1959 requires carriers to maintain minimum levels of insurance to protect passengers in the event of an accident. The scheme is supplemented by the provisions of the Civil Aviation Act 1988, which allow CASA to enforce requirements as part of their management of safety issues via the air operator certificate process. Under the new system, carriers will no longer need to obtain a certificate of compliance from CASA before flights are operated. Instead, operators will be obliged to provide CASA with a declaration indicating that they have obtained that insurance. If the operator allows its insurance to lapse, authorisation to carry passengers will automatically lapse. The authorisation will automatically be reactivated as soon as the operator secures the appropriate insurance. If at any time an operator carries passengers without appropriate insurance, it will be subject to administrative and criminal sanctions under the Civil Aviation Act in addition to the criminal penalties that are currently imposed under the carriers' liability act. The bill will also streamline administrative processes. It will cut down the paperwork for CASA's oversight of the mandatory insurance scheme for airlines. It will also improve the ability of CASA to proactively enforce insurance requirements for air carriers.

The Aviation Legislation Amendment (International Airline Licences and Carriers' Liability Insurance) Bill 2008 will provide significant and long overdue improvements to the aviation industry. Can I also use this opportunity to commend the Minister for Infrastructure, Transport, Regional Development and Local Government for his focus on and the attention he has given to aviation issues in the short time that he has been minister—and some of those issues, it should be pointed out, bear heavily on his electorate. There has been the development of Australia's first ever aviation white paper as well as his decision—and this was important—not to allow the expansion of Bankstown Airport as Sydney's second airport.

Unlike the situation in Avalon described by the members for Corangamite and Corio earlier today, a major passenger airport is not wanted at Bankstown. Bankstown Airport is already the main general aviation airport for the Sydney region and—this may surprise some members—it is one of the busiest airports in the world. The threat of more movements and large passenger aircraft is not one that is welcomed by my local community but, under the master plan that was approved by the previous government, it is one that could occur. It just requires the runway at Bankstown to be lengthened and strengthened. Because this work—the lengthening and strengthening of the runway—would cost more than \$20 million, it therefore constitutes a major development and so requires the approval of the federal government. My community was very relieved and very grateful when earlier this year the minister ruled out any expansion of the airport to become Sydney's second airport. It is a good example of the difference a Labor government makes. Bankstown Airport is a great place to create local jobs but it is a bad place for large passenger aircraft. The minister recognised this and recognised that Bankstown is not the place for such an airport, so I thank him very much for that.

Airports are a key part of our economic infrastructure. They provide jobs, they move freight and they underpin our economic growth. But they also have an impact on the commu-

nities that live around them. They create extra noise and extra traffic and, as I said earlier, the minister understands this better than most. The people of Blaxland are very grateful for his decision in relation to Bankstown Airport, and I, as the member for Blaxland, thank him on their behalf. I look forward to the aviation white paper when it comes forward and I also look forward to the feasibility study that is currently being conducted on the M5 East duplication in Sydney's west. It is a project that will help Sydney airport and make it work more effectively and more efficiently. It will reduce congestion between Sydney airport and my electorate and it will make the electorate of Blaxland a better place to live and work. With those remarks, I commend the bill to the House.

**Mr ALBANESE** (Grayndler—Minister for Infrastructure, Transport, Regional Development and Local Government) (11.16 am)—in reply—I thank all members for their contributions to this debate on the Aviation Legislation Amendment (International Airline Licences and Carriers' Liability Insurance) Bill 2008. I particularly thank the member for Blaxland for his very generous comments. In the short time he has been the member for Blaxland, he has been an outstanding representative of his local community and has made strong representations about Bankstown Airport and other infrastructure issues involving Western Sydney.

This bill streamlines and improves two aviation regulatory schemes. The international airline licence system will be updated to enhance the Australian government's ability to ensure that airlines are complying with licence conditions. The bill will also improve the Civil Aviation Safety Authority's ability to ensure that airlines hold an appropriate contract of insurance to compensate passengers in the event of an accident. These changes will streamline the mandatory aviation insurance scheme and cut down the paperwork for airlines and the Civil Aviation Safety Authority alike. It is in the context of developing a national aviation strategy that the government continues to pursue reforms through the two pieces of aviation legislation which will be carried by the House of Representatives today.

As the member for Blaxland mentioned, we also need to embark on a national aviation strategy. It is something that we have never had from any Australian government before now. I had a successful meeting this morning with my department again on the work leading up to the production of the aviation green paper. As an island continent, we rely very much on aviation—more so than most countries on earth—for our economic productivity and our cultural and other links with the rest of the world. That is why, whilst individual pieces of legislation such as this are important, it is also important that we actually have a strategic, long-term framework. That is what the government is doing in producing a green paper, which will lead to a national aviation strategy through a white paper process in 2009. I commend the bill to the House.

Question agreed to.

Bill read a second time.

Ordered that the bill be reported to the House without amendment.

**CONDOLENCES**  
**SAS Signaller Sean McCarthy**

Debate resumed from 26 August, on motion by **Mr Rudd**:

That the House record its deep regret at the death on 8 July 2008, of SAS Signaller Sean McCarthy, an Australian soldier killed in Afghanistan, and place on record its appreciation of his service to his country, and tender its profound sympathy to his family in their bereavement.

**Mr ROBERT** (Fadden) (11.20 am)—Benjamin Disraeli said:

The legacy of heroes is the memory of a great name and the inheritance of a great example.

Signaller Sean McCarthy is indeed a great example to all Australians. It is with a sense of pride, mixed with great sadness, that I rise to honour this fallen warrior, the sixth to die serving our country in Afghanistan since 2002. I pass on my sympathy and support to his family—his parents, David and Mary, and his sisters, Leigh and Clare—whom I had the pleasure of meeting and speaking to in the unfortunate circumstance of Sean’s funeral on the Gold Coast on 18 July this year. Sean is the second warrior from my electorate of Fadden to fall in Afghanistan and be buried; he is the second to have had the Australian flag draped over his coffin.

Sean was born in New Zealand, but we proudly call him our own. He was a student at Trinity Lutheran College in Ashmore, where he graduated in 2000. At school, he represented Trinity on the sports field as a member of the 2/15 rugby team and Trinity water polo team, in addition to serving on the student representative council. He is remembered by the school as a reliable and trustworthy young man with a great sense of personal integrity and maturity, which was apparent to all who interacted with him. Staff recall Sean as being quick-witted and having a great sense of humour while remaining courteous and considerate towards others. It is no wonder that, in looking at his funeral as a testimony to his popularity, many from his school turned out with stories and anecdotes from their time with Sean. Indeed, one of his very early primary school teachers turned out to speak glowingly of Sean as a young man. Sean was clearly popular with his peers at school and with his colleagues and compatriots in the Army. He was disciplined, focused and a great example of the modern digger, the modern ANZAC—the professional Australian soldier.

Sean enlisted in the Australian Defence Force on 10 July 2001. He was posted to the 7th Signals Regiment on 14 July 2003 and went into the Special Air Service Regiment on 15 January 2007. He was an active member of the regiment until his tragic death on 8 July this year. Sean was killed by a roadside bomb in Afghanistan. He was not married. He was 25 years old. Sean’s operational experience included Special Operations Task Force 5 in Afghanistan in 2007, Operation Astute in East Timor in 2008 and redeployment to Afghanistan in 2008. Having served for only seven years with three operational deployments, Sean never shirked his responsibility and his duty to move into the operational theatre and to defend Australia’s interests. Sean was awarded a Special Operations Command Australia commendation. In speaking to Sean’s CO in the Special Air Service Regiment, I was told that when Sean was given the commendation he simply shrugged his shoulders and got on with the job. There was no great public ceremony and there were no great words—he simply accepted it as a matter of doing his duty. He received the Australian Defence Medal for service, the International Coalition against Terrorism Clasp, the Afghanistan Campaign Medal, the NATO Medal and the Return of Active Service Badge.

Signaller Sean McCarthy's sacrifice was not in vain. He is a beacon of inspiration to other peacekeepers to provide a better future for the people they serve—in Sean's case, those of Afghanistan. He stands tall as a man who believed that all people, wherever they may live, should have the opportunity to live in a better world, one free from violence, intimidation and repression. Though it can only ever be of small comfort to his family, Sean sacrificed his life serving and doing what he loved: taking care of, serving and representing his country. George Orwell once wrote:

We sleep safe in our beds because rough men stand ready in the night to visit violence on those who would do us harm.

Sean was such a man—a committed, dedicated soldier who fought for you and me and for us as a nation to keep us safe. On Remembrance Day this year, Sean's name will be etched onto the War Memorial Roll of Honour to join those of the other five great Australian military heroes who have given their lives during the Afghanistan campaign. His sacrifice will never be forgotten.

**Mr FITZGIBBON** (Hunter—Minister for Defence) (11.25 am)—I thank the member for Fadden and all those members who will be here this morning to pay tribute to Signaller Sean McCarthy and to thank him for his service to his country. I am often asked: what is the most difficult part of the job of Defence minister? Despite the many and diverse challenges of the portfolio, the answer is without challenge: news of the loss of one of our people in a theatre of war. That is without doubt the toughest part of the job. It is tough for a number of reasons. It is tough because it is the loss of a person in the prime of his life—fit, active and highly skilled, with so much to offer. It is tough because it is the loss of a person who is leaving people behind—mums, dads, brothers, sisters, often wives or partners and children, and, of course, there are always mates. It is tough because we know that the person we have lost, unlike some in our society, was doing something really meaningful and worthwhile with his life, doing something for others—indeed, doing something for his country. You cannot help but ask, despite the dangerous nature of the vocation: why is it that the good guys suffer such a fate? I did not know Signaller McCarthy, but I am sure that he was one of the good guys. He must have been, because he dedicated his life to the defence of his nation and its people, putting his own life on the line so that we collectively could be safe.

Sean was fatally wounded on 8 July while serving with the Special Operations Task Group in Afghanistan's Oruzgan province, where more than 1,000 of our men and women in uniform are working and fighting to both provide hope for the Afghan people and make the world a safer place in which to live, work and travel. Signaller McCarthy was killed when the vehicle in which he was travelling was struck by an improvised explosive device. This is another aspect of the event which saddens me. Losing a soldier in a small arms firefight is tragic enough; but to lose him to a cowardly act—that is, the use of an IED—to me, somehow makes it even more tragic. Ironically, the increasing use of IEDs is somewhat a measure of the toughness and skill of people like Sean McCarthy. It is a statement of fact that the insurgents in Afghanistan do not like taking on our people head-to-head.

To Sean McCarthy's father and mother, David and Mary, and his sisters, Leigh and Clare, I again extend my sympathy and thanks for his service. He was an outstanding soldier, displaying courage and professionalism in the most demanding of environments. The Chief of Army has told of Signaller McCarthy's determination and the high standard of his work throughout

his military career. In recognition of this, Signaller McCarthy was awarded a Special Operations Command Australia commendation on 20 June 2008 for his actions in Afghanistan in 2007 as part of Special Operations Task Group Rotation V. Sean was awarded this for his excellent application of battlefield craft in a complex, dangerous and confusing situation. He was highly regarded by his colleagues, and his sense of humour was well known amongst those who served in his regiment. I take this opportunity today to remember those who have also given their lives in Afghanistan in the name of their country: Lance Corporal Jason Marks, Sergeant Matthew Locke, Trooper David 'Poppy' Pearce, Private Luke Worsley and, of course, Sergeant Andrew Russell.

On behalf of the Australian government and, I am sure, all members of parliament, I offer our prayers and our support to Signaller McCarthy's family and friends. I extend reassurance to them and their families—to all of those affected—that his sacrifices will not be forgotten, nor will the sacrifices of those who went before him. To all those who continue to serve under the Australian flag, I say that we do appreciate their work, we do appreciate their sacrifices, and we, the Australian government, will continue to provide, as best we can, all the capability, training and protection they need and deserve to do their job as effectively, efficiently and safely as possible.

**Mr JOHNSON** (Ryan) (11.30 am)—On behalf of the federal seat of Ryan, which I have the great pleasure and great honour of representing in the Australian parliament, I join with the Prime Minister, the Leader of the Opposition and colleagues in the Australian parliament in extending my personal condolences to the family of Sean McCarthy. As the Prime Minister and the Leader of the Opposition together said so very eloquently in the parliament yesterday, and as the nation's Minister for Defence has just alluded to, he was a remarkable man. As such, Sean McCarthy is honoured by all of us here in the parliament for his service to our country and for paying the ultimate price with his life. Signaller Sean McCarthy was a member of the elite SAS. He was one of those men who stood out amongst other men for his remarkable physical attributes and for his character, which is one of the features of those who are selected for this very elite group of men who wear the Australian uniform.

Signaller Sean McCarthy was only 25 years old. He was a man who loved rugby. He was a soldier who died wearing the Australian uniform and under the flag of our great country. He was killed when a bomb exploded near his vehicle while he was serving in Afghanistan. Personnel who served with Signaller McCarthy, who was also known as 'Seano', said that he was 'a bloody good bloke' and a very talented soldier. One of his Army mates, Aaron Pearce, said that Signaller McCarthy loved a joke, loved taking care of children and would never let a friend down. Never letting a friend down is a characteristic of Australians. It is perhaps an especially powerful characteristic of those who wear the uniform of our country and perhaps an even more powerful characteristic of those who wear the uniform of the SAS. Signaller McCarthy is the sixth Australian soldier to die in Afghanistan since 2002 and tragically, of course, the second this year. He joined the Army in 2001 and began serving in the SAS Regiment in January 2007. He served his first tour in Afghanistan later that year and was posted to East Timor earlier this year before being sent back to Afghanistan.

I want to let the people of Ryan know that I had the unique privilege of meeting the President of Afghanistan in May in Sharm El Sheikh in Egypt, when I attended the World Economic Forum there. I asked Hamid Karzai what he would say about the death of any Austra-

lian to constituents who live in my electorate of Ryan, whose emotions might be so profound that they would question the presence of an Australian in uniform in his country. His remark to me was very simple and very profound. He said that Australians were doing great things in Afghanistan and that the people of Afghanistan just wanted what we in Australia had. I asked him what it was that we in Australia have that his people wanted. President Karzai said to me, 'Our people want freedom to live in peace, just like the people that you represent, Michael.' I was very touched by that and by the context and tone in which he put it. It was very simple, very eloquent, very compelling and very profound.

So I would say to the people of Ryan and the families, friends, neighbours and loved ones of Signaller Sean McCarthy, and indeed all those other Australians who have died in tragic circumstances and terrible circumstances wearing the Australian uniform in Afghanistan, in Iraq and in all other theatres of conflict around the world, that they are doing a very unique thing; they are doing something which I suspect very few in this place and very few in our country would have the capacity to do. I think it takes a very special person to sign up to the Army, Navy and Air Force of our country. As the son of a man who wore the uniform of the special forces of his country, and as the grandson of a man who fought the Japanese in World War II, I think that my father and my grandfather were special individuals as well. My grandfather paid the ultimate price. He was tortured by the Japanese. He is a man I never met. My mother tells me that he was an incredible person, an incredible individual, who served and fought for freedom in the context in which he did in the 20th century.

I make those remarks because I can only think that Signaller Sean McCarthy of the SAS must have been a very remarkable person. He was not someone I knew, but anyone who wears the uniform of the SAS must be a remarkable individual. On his previous tour in Afghanistan, Signaller McCarthy was recognised by the Special Operations commander for his courage, his focus and his professionalism. His mission was to try and do his bit to bring about peace and stability in that part of the world. He received a specific commendation for maintaining his presence of mind and an excellent soldier's skills while in contact with the enemy.

Australia has obligations to be a very good global citizen by helping out our friends in times of need. As President Hamid Karzai said to me when I had that unique opportunity of meeting him not as a minister of the Crown, not as a senior member of this parliament but just as the federal member for Ryan, he wanted to pass on his thanks to the previous government, to the current government and to those who have enormous responsibility to make decisions that involve putting the lives of Australians at risk. The times demand that Australians step up to the plate, and we have done so with remarkable skill, remarkable professionalism and remarkable dignity but also with compassion. It seems to be a thread that runs through all who wear the uniform of our services that they also have that capacity to be compassionate no matter which theatre of conflict they find themselves in.

So, on behalf of the people of Ryan, I express my thanks to Sean McCarthy and my condolences to his family, friends and all those who knew and loved him.

I want to end my remarks by also saying that I have just had the opportunity of speaking to some grade 7 students from the Moggill State School. The occasion was their visit to the Australian War Memorial, where they had the unique opportunity and privilege to lay a wreath to honour those that came before them. It was a very special opportunity for me to see grade 7

students, who have marvellous lives ahead of them, get to really understand at this stage of their life that the Australian War Memorial and the Tomb of the Unknown Soldier are very profound places in this country. They were very touched by the red poppies all around them. So I say to them: thank you for making the trip from the western suburbs of Brisbane. Moggill State School has a tradition of sending grade 7 students to Canberra, to their nation's capital, and it is a tradition which I very much support and encourage. I also encourage all other schools, not only those in my electorate of Ryan but also those throughout the country, to perhaps initiate that tradition. For those who have been to the Australian War Memorial, it is a place that is very touching. It is something that is very significant to me, as the son and grandson of two men who in different times and different theatres wore the uniform. I thank the school for the invitation that came my way to be part of that special ceremony and I thank the students for doing their bit to honour those who have served and made enormous sacrifices and those who have made the ultimate sacrifice.

**Mr SNOWDON** (Lingiari—Minister for Defence Science and Personnel) (11.42 am)—This condolence motion is very important for all of us. When a nation sends its young men and women overseas to help bring peace to the world, it does so with deep anxiety. When we do, we know that we are putting people at serious risk. But we also know that, as citizens of the world committed to achieving peace, we have to do what we can. This has been the course of Australian history since prior to the First World War. We have accepted our obligations as world citizens and we have not flinched at accepting our responsibilities. So, when someone like Sean McCarthy has his life taken, we grieve. We grieve because we asked him to put his life at risk. This, of course, is the tragedy of war and it is an enormous cost. It is why Australians for over 100 years now have paid their respects to the many thousands of young Australians who have also had their lives taken in the service of their nation.

Sean McCarthy has now joined those hallowed ranks, along with his comrades who have also fallen in Afghanistan: Lance Corporal Jason Marks, Sergeant Matthew Locke, Trooper David Pearce, Commando Luke Worsley and Sergeant Andrew Russell. We know, as others have said, that Sean was a career soldier with seven years of service. He was still young—25 years of age—with his whole life before him. Yet he enlisted to serve and did so with total commitment. After recruit training, he was posted to the 7th Signal Regiment and then in January 2010 to the Special Air Service Regiment—based in your home state, Mr Deputy Speaker Washer. After service in Timor-Leste, Sean was deployed to Afghanistan with the Special Operations Task Group. Here the responsibilities were to support the Australian Reconstruction Task Force, to help develop the Afghanistan security forces and to help reinforce the legitimacy of the Afghan government. These are huge responsibilities, undertaken, as we now know, in the most difficult of circumstances. But, as we expect of Australian service men and women when they depart our shores on these tasks, they are undertaken with total commitment and courage. Along with his mates, this was Sean McCarthy's task on our behalf. He lost his life doing what we asked him to do. As we all know now, he did it so very well.

In addition to his service medals, in 2007 Sean received the Special Operations Command Australia commendation. This was awarded for his excellent application of battle craft in a complex, dangerous and confusing situation. This is testament to his skills as a soldier, to the excellence of his training and, most importantly, to his personal character, as shown by his

unwavering commitment. As a nation, we mourn the loss of Signaller Sean McCarthy and I want to extend my condolences to his family. There can be nothing worse in life than losing a loved one, and we as a nation remain in the family's debt.

I do want to make some closing remarks as a parent and as someone who has children under the age of 22. I know I share this with my colleague the minister and others in this place. The responsibilities I have as Minister for Defence Science and Personnel mean that I get to meet some fine young Australians who, at the early age of 17 or 18, are putting on the uniform of one of the services and committing themselves to the task of defending Australia's interests. Frankly, I do not think that the nation understands that commitment well enough.

We owe these Australians—all of these people in uniform—a great deal more than we give them. I am finding it hard to choose the word which will aptly describe what it is that we must do. It is not just gratitude, because they are making a sacrifice. As the Prime Minister said, there is no greater honour than to wear that uniform. Sean McCarthy has done that for us. As we know, and as parents of previous generations know only too well, there can be nothing sadder for a parent than to have their son or daughter die before them. In this case, it was a young person who had made a commitment on behalf of this nation—bravely, courageously, with dedication and with great honour. I say again: my condolences to his family, his friends and, most of all, his comrades—his mates—with whom he fought.

**Mr BALDWIN** (Paterson) (11.48 am)—The opposition joins with the government today in supporting this motion of condolence for the loss of Signaller Sean McCarthy in Afghanistan on 8 July 2008. Signaller McCarthy was conducting vehicle patrols with coalition forces when an improvised explosive device was detonated. He and two of his colleagues were seriously injured. Despite being evacuated and receiving medical attention, Signaller Sean McCarthy succumbed to his wounds. At 25 years of age, Signaller McCarthy had already given so much in service to his country—both in East Timor and now in a second tour of Afghanistan—which he gladly and readily performed. Sean McCarthy will be remembered as a courageous soldier and an all-round good bloke, highly respected by all those who served with him.

Signaller Sean McCarthy was described by his commanding officer at the funeral service as:

... a highly respected soldier who served with distinction in the Australian Army and with great pride as a member of an elite team, the Special Air Service Regiment. He died doing his duty in a high-risk environment; it was a soldier's death. His loss, whilst tragic, was not in vain. He fought and died for the enduring values of freedom and justice.

Sean's father, David, said of his son:

He was lucky enough to find a career that he loved and was very passionate about. I know he's my son, but those guys are doing some things over there which make them real heroes.

Sean Patrick McCarthy was born on 5 January 1983 in Auckland, New Zealand. On 10 July 2001, at the age of 18, he enlisted in the Australian Defence Force. After the initial recruit training and completion of the mandatory courses, Sean was posted to the 7th Signal Regiment on 14 July 2003. Ten days after his 24th birthday Sean became one of our nation's elite sons when he was posted to Special Air Service Regiment on 15 January 2007.

Throughout his short but active career with the regiment Sean proved that his posting was well deserved. He was deployed as part of the Special Operations Task Group in 2007 and Operation Astute in East Timor the following year. After these two missions he was redeployed to Afghanistan, which became his most recent and indeed last posting.

Sean was decorated several times in recognition of his service in East Timor and Afghanistan. He was awarded the Australian Active Service Medal with the International Coalition Against Terrorism Clasp, the Return from Active Service Badge, the Afghanistan Campaign Medal, the Australian Defence Medal and the NATO International Security Assistance Force Medal. Sean also received the Special Operations Command—Australia commendation on 20 June 2008 for his actions in Afghanistan the previous year as part of Special Operations Task Group Rotation V. Sean was awarded this for his outstanding application of battle craft in a complex, dangerous and confusing situation that is becoming all too common for our soldiers serving overseas. This commendation stated, in part:

I commend you for excellent achievement in the application of battle craft beyond the standard expected whilst acting as a special operations electronic warfare operator during operation SLIPPER, Special Operations Task Group, Rotation V.

Despite being in contact with the enemy, you maintained your presence of mind and displayed excellent soldier skills. You showed courage and mission focus.

Your actions demonstrated excellent application of battle craft above your recognised training levels in a complex, dangerous and confusing situation. Your deeds have brought credit upon yourself, the Special Air Service Regiment and Special Operations Command.

Signaller McCarthy could be like so many other young men in our nation—enjoying a game of rugby, which I am told was one of his great passions; spending time with his mates; and looking forward to buying his first home. Time and again our service men and women give up these personal comforts in order to bring comfort and security to others less fortunate.

During Sean's life he was well liked and loved by all those who met him and those who served with him. His fellow soldiers, who referred to Sean as 'Seano', describe him simply but accurately as being 'a bloody good bloke'. A close Army mate, Aaron Pearce, told others of how the young signaller 'loved a joke, loved taking care of children and would never let down a friend'. These words are an accurate description of the brave signaller's life and personality and have been confirmed by many. And whilst, at only 25 years of age, he had a very short time in this world, he had many great accomplishments in both his military and personal lives that will live on forever in the memories of his family, friends and loved ones.

He was honoured by the Special Operations Task Group during a ramp ceremony in Oruzgan Province, southern Afghanistan, before his body was flown back to Australia to RAAF Base Amberley. On 17 July this year over 1,000 people, including friends, family and colleagues, came together for the service at the Gold Coast's Sacred Heart Church. Mourners came to celebrate the life of SAS Signaller Sean McCarthy. Lieutenant General David Hurley, Vice Chief of the Defence Force; Lieutenant General Ken Gillespie, Chief of Army; and Major General Tim McOwan, Special Operations Commander Australia, paid their respects to one of their own. Sean's casket was honoured by being carried by the Special Air Services Regiment honour guard and draped in the Australian national flag.

George Orwell once wrote:

We sleep safely in our beds because rough men stand ready in the night to visit violence on those who would harm us.

Those rough men are now minus one more comrade tonight, yet they stand ready as always not only to defend the freedom and liberty of our country but, in the case of Sean McCarthy, to defend the freedom and liberty of those who we do not know but whose human rights we preserve. Sean McCarthy joins Andrew Russell, Luke Worsley, Matthew Locke, Trooper David 'Poppy' Pearce and Jason Marks, all of whom have made the ultimate sacrifice not only for their country but also for the people of Afghanistan in the hope that their country can have the opportunity to know peace.

To the men and women of the ADF: we share our prayers with you on this day. We thank you for your willingness to serve and wish you safety in your work—that you may return to your loved ones when the job is done. I pay tribute again to Signaller Sean McCarthy, his family, friends and loved ones. I know their grief is one we can never take away. I say to them that their grief is one which our nation shares today, as we send our condolences to them. I say to his parents, Dave and Mary, and his sisters, Clare and Leigh, that I know we cannot ease their pain but we acknowledge that the service Sean gave was above the call of his duty, and he has paid the greatest of prices. Australia is proud of him. He will not be forgotten, as those who have fallen before him will not be forgotten. I can assure them that, at the going down of the sun and in the morning, we will remember him.

**The DEPUTY SPEAKER (Dr MJ Washer)**—I understand it is the wish of honourable members to signify at this stage their respect and sympathy by rising in their places.

*Honourable members having stood in their places—*

**The DEPUTY SPEAKER**—I thank the Committee.

**Mr RIPOLL** (Oxley) (11.56 am)—I move:

That further proceedings be conducted in the House.

Question agreed to.

**Hon. Peter Drew Durack QC**

Debate resumed from 26 August, on motion by **Mr Rudd**:

That the House record its deep regret at the death on 13 July 2008, of the Honourable Peter Drew Durack QC, and place on record its appreciation of his long and meritorious public service, and tender its profound sympathy to his family in their bereavement.

**Ms MARINO** (Forrest) (11.57 am)—As a fellow Western Australian, I rise to record condolences on the death of the Hon. Peter Durack, who died on 13 July 2008. I also offer sincere sympathy to his friends and family, that hardworking and very talented pioneering Durack family from the Kimberley region in Western Australia. Senator Durack served for 22 years in the Senate, becoming Attorney-General in 1977 during the Fraser government years. It was also during that time that he implemented several historically important legal reforms. Senator Durack earned respect from all sides of politics, basically because he was a thoroughly decent man with a genuine commitment to good government, a genuine commitment to good policy and a dedication to human rights and legal reform.

Senator Durack served one term in the Western Australian Legislative Assembly, from 1965 to 1968, prior to his appointment as the Commonwealth Attorney-General in 1977. In

this role, he was responsible for the appointment of some of the most distinguished judges to serve on the High Court, and he remains one of a small number of Australians who have served in the Senate for over two decades—no mean feat. Senator Durack also served as Minister for Veterans' Affairs and Deputy Leader of the Government in the Senate. He was a very strong advocate for freedom of information laws and a champion for the rights of individuals who had disputes with government. He presided over the Freedom of Information Bill in 1978 and the Freedom of Information Act in 1982.

In spite of his considerable achievements in the political field, Senator Durack was respected as a true gentleman and someone who provided counsel, advice and support to many Liberals, including the member for Curtin, as well as mentoring those not involved in the political environment. I offer sincere sympathy to his wife, Isobel, his children, Anne and Philip, and his four grandchildren on what is the most important loss of all—the loss of a husband, the loss of a father and the loss of a grandfather.

**The DEPUTY SPEAKER (Dr MJ Washer)**—I understand it is the wish of honourable members to signify at this stage their respect and sympathy by rising in their places.

*Honourable members having stood in their places—*

**The DEPUTY SPEAKER**—I thank the Committee.

**Mr RIPOLL** (Oxley) (11.56 am)—I move:

That further proceedings be conducted in the House.

Question agreed to.

**Main Committee adjourned at 12.00 pm**

## QUESTIONS IN WRITING

### Infrastructure Australia (Question No. 147)

**Mr Truss** asked the Minister for Infrastructure, Transport, Regional Development and Local Government, in writing, on 24 June 2008:

Does Infrastructure Australia intend to consider Commonwealth funding for metropolitan passenger rail projects; if so, what priority will be given to these projects?

**Mr Albanese**—The answer to the honourable member's question is as follows:  
The function of Infrastructure Australia is set out in the Infrastructure Australia Act 2008.

### Digital Television Transmitters (Question No. 150)

**Mr Truss** asked the Minister representing the Minister for Broadband, Communications and the Digital Economy, in writing, on 24 June 2008:

What action is the Government taking to convert "black spot" television transmitters to digital.

**Mr Albanese**—The Minister for Broadband, Communications and the Digital Economy has provided the following answer to the honourable member's question:

The Australian Government appreciates that the broadcasting industry is facing a new, digital era. The digital environment is a complex one and the transition of television from the analog to the digital environment presents a number of challenges, one being the retransmission 'black spot' sites across Australia.

The Government is currently examining options for maximising viewer access to digital television services where the signals provided by broadcasters prove to be deficient.

The costs and technical aspects of conversion are also being investigated and the Government will consider all facets, including any possible assistance programs, in the decision making process.

On 18 December 2007, the Minister announced the establishment of the Digital Switchover Taskforce, which will oversee the major tasks, processes and timeframes necessary to drive digital television take-up and achieve digital switchover throughout Australia by 31 December 2013.

Information in relation to the switchover timetable and related issues, such as the conversion of "black spot" television transmitters to digital, will be made available publicly once all issues and factors have been addressed as outlined above to ensure a smooth transition from analog to a digital environment for viewers.

### Sport Funding (Question No. 171)

**Dr Southcott** asked the Minister for Sport, in writing, on 25 June 2008:

Has the Government allocated any funding in the 2008-09 Budget to: (a) the Sturt Baseball Club; (b) the Marion Sports and Community Club; and (c) the Blackwood Football Club in Adelaide, South Australia; if so, (i) how much has been allocated (ii) when will the funding be delivered, and (iii) through what program has this funding been made available.

**Ms Kate Ellis**—The answer to the honourable member's question is as follows:

- (a) Yes.
  - (i) \$20,000
  - (ii) 2008-09
  - (iii) This is an election commitment for which new funding was provided.
- (b) Yes.
  - (i) \$1 million
  - (ii) 2008-09 and 2009-10
  - (iii) This is an election commitment for which new funding was provided.
- (c) Yes.
  - (i) \$130,000
  - (ii) 2008-09
  - (iii) This is an election commitment for which new funding was provided.