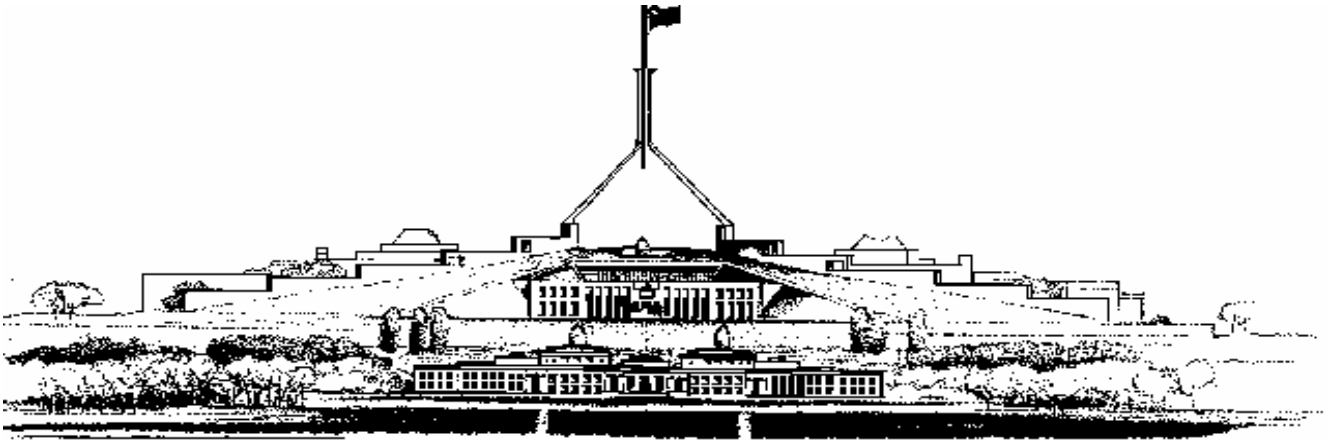




COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



House of Representatives

Official Hansard

No. 18, 2006

Thursday, 7 December 2006

FORTY-FIRST PARLIAMENT
FIRST SESSION—SEVENTH PERIOD

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

INTERNET

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

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

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

SITTING DAYS—2006

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

RADIO BROADCASTS

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

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

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

Governor-General

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

House of Representatives Officeholders

Speaker—The Hon. David Peter Maxwell Hawker MP

Deputy Speaker—The Hon. Ian Raymond Causley MP

Second Deputy Speaker—Mr Henry Alfred Jenkins MP

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

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

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

Manager of Opposition Business—Ms Julia Eileen Gillard MP

Deputy Manager of Opposition Business—Mr Anthony Norman Albanese MP

Party Leaders and Whips

Liberal Party of Australia

Leader—The Hon. John Winston Howard MP

Deputy Leader—The Hon. Peter Howard Costello MP

Chief Government Whip—Mr Kerry Joseph Bartlett MP

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

The Nationals

Leader—The Hon. Mark Anthony James Vaile MP

Deputy Leader—The Hon. Warren Errol Truss MP

Chief Whip—Mrs Kay Elizabeth Hull MP

Whip—Mr Paul Christopher Neville MP

Australian Labor Party

Leader—Mr Kevin Michael Rudd MP

Deputy Leader—Ms Julia Eileen Gillard MP

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

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

Printed by authority of the House of Representatives

Members of the House of Representatives

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

Members of the House of Representatives

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

Members of the House of Representatives

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

Members of the House of Representatives

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

PARTY ABBREVIATIONS

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

Heads of Parliamentary Departments

Clerk of the Senate—H Evans

Clerk of the House of Representatives—I C Harris

Secretary, Department of Parliamentary Services—H R Penfold QC

HOWARD MINISTRY

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

(The above ministers constitute the cabinet)

HOWARD MINISTRY—*continued*

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

SHADOW MINISTRY

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

(The above are shadow cabinet ministers)

SHADOW MINISTRY—*continued*

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

CONTENTS

THURSDAY, 7 DECEMBER

CHAMBER

Tax Laws Amendment (Simplified Superannuation) Bill 2006—	
First Reading	1
Second Reading	1
Superannuation (Excess Concessional Contributions Tax) Bill 2006—	
First Reading	4
Second Reading	4
Superannuation (Excess Non-concessional Contributions Tax) Bill 2006—	
First Reading	4
Second Reading	4
Superannuation (Excess Untaxed Roll-over Amounts Tax) Bill 2006—	
First Reading	5
Second Reading	5
Superannuation (Departing Australia Superannuation Payments Tax) Bill 2006—	
First Reading	5
Second Reading	5
Superannuation (Self Managed Superannuation Funds) Supervisory Levy Amendment Bill 2006—	
First Reading	5
Second Reading	5
Private Health Insurance Bill 2006—	
First Reading	6
Second Reading	6
Private Health Insurance (Transitional Provisions and Consequential Amendments) Bill 2006—	
First Reading	9
Second Reading	9
Private Health Insurance (Prostheses Application and Listing Fees) Bill 2006—	
First Reading	10
Second Reading	10
Private Health Insurance (Collapsed Organization Levy) Amendment Bill 2006—	
First Reading	10
Second Reading	10
Private Health Insurance Complaints Levy Amendment Bill 2006—	
First Reading	10
Second Reading	10
Private Health Insurance (Council Administration Levy) Amendment Bill 2006—	
First Reading	10
Second Reading	10
Private Health Insurance (Reinsurance Trust Fund Levy) Amendment Bill 2006—	
First Reading	11
Second Reading	11
Business	11
Auscheck Bill 2006—	
First Reading	11
Second Reading	11
Classification (Publications, Films and Computer Games) Amendment Bill 2006—	
First Reading	13
Second Reading	13

CONTENTS—*continued*

Customs Legislation Amendment (Augmenting Offshore Powers and Other Measures) Bill 2006—	
First Reading	14
Second Reading	14
Native Title Amendment Bill 2006—	
First Reading	15
Second Reading	16
Employment and Workplace Relations Legislation Amendment (Welfare to Work and Vocational Rehabilitation Services) Bill 2006—	
First Reading	18
Second Reading	18
Murray-Darling Basin Amendment Bill 2006—	
First Reading	18
Second Reading	18
Australian Technical Colleges (Flexibility in Achieving Australia's Skills Needs) Amendment Bill (No. 2) 2006—	
First Reading	20
Second Reading	20
Tax Laws Amendment (2006 Measures No. 7) Bill 2006—	
First Reading	22
Second Reading	22
Tax Laws Amendment (2006 Measures No. 4) Bill 2006—	
Consideration of Senate Message.....	23
Committees—	
Public Works Committee—Approval of Work.....	25
Public Works Committee—Approval of Work.....	25
Public Works Committee—Reference.....	26
Public Works Committee—Reference.....	26
Procedure Committee—Reports.....	27
Treaties Committee—Report.....	29
Airspace Bill 2006 and	
Airspace (Consequential and Other Measures) Bill 2006—	
Second Reading	30
Third Reading.....	40
Airspace (Consequential and Other Measures) Bill 2006—	
Second Reading	40
Third Reading.....	40
Customs Tariff Amendment (Incorporation of Proposals) Bill 2006—	
Second Reading	40
Third Reading.....	42
Safety, Rehabilitation and Compensation and Other Legislation Amendment Bill 2006—	
Second Reading	42
Third Reading.....	54
Tax Laws Amendment (2006 Measures No. 6) Bill 2006—	
Second Reading	54
Third Reading.....	61
Wheat Marketing Amendment Bill 2006—	
First Reading	61
Second Reading	61

CONTENTS—*continued*

Questions Without Notice—	
Health	72
Bushfires.....	72
Water	73
Workplace Relations.....	74
Economy.....	74
Employment	75
Distinguished Visitors.....	76
Questions Without Notice—	
Reserve Bank of Australia.....	76
The Drought	77
Iraq	78
Iraq	79
Iraq	80
Families	80
Iraq	81
Private Health Insurance.....	82
Immigration.....	82
Independent Contractors.....	83
Minister for Immigration.....	84
Fiji	85
Workplace Relations.....	86
Questions To the Speaker—	
Standing Committee on Family and Human Services.....	87
Anti-Money Laundering and Counter-Terrorism Financing Legislation.....	88
Personal Explanations.....	88
Mr Ian Dundas	89
Mrs Marlene Dundas—	
Retirement	89
Questions to the Speaker—	
Standing Committee on Family and Human Services.....	90
Standing Committee on Family and Human Services.....	90
Questions in Writing.....	90
Auditor-General’s Reports—	
Report No. 14 of 2006-07.....	90
Documents	90
Documents	91
Business	91
Committees—	
Reports: Government Responses.....	91
Matters of Public Importance—	
Howard Government	100
Financial Sector Legislation Amendment (Trans-Tasman Banking Supervision) Bill 2006	112
Privacy Legislation Amendment (Emergencies and Disasters) Bill 2006	112
Indigenous Education (Targeted Assistance) Amendment Bill 2006.....	112
Education Services for Overseas Students Legislation Amendment (2006 Measures No. 1) Bill 2006.....	112
Education Services for Overseas Students Legislation Amendment (2006 Measures No. 2) Bill 2006.....	112

CONTENTS—*continued*

Australian Nuclear Science and Technology Organisation Amendment Bill 2006.....	112
Child Support Legislation Amendment (Reform of the Child Support Scheme— New Formula and Other Measures) Bill 2006.....	112
Inspector of Transport Security Bill 2006.....	112
Inspector of Transport Security (Consequential Provisions) Bill 2006	112
Judiciary Legislation Amendment Bill 2006	112
Aboriginal and Torres Strait Islander Heritage Protection Amendment Bill 2006— Assent	112
Committees— Migration Committee	112
Electoral Matters Committee—Membership.....	112
Royal Commissions Amendment (Records) Bill 2006— Returned from the Senate	112
Committees— Members' Interests Committee—Report.....	112
Publications Committee—Report.....	112
Family and Human Services Committee—Report	112
Main Committee— Procedure Committee—Reference	113
Family and Human Services Committee—Reference	113
Special Adjournment	113
Leave of Absence.....	142
Committees— Foreign Affairs, Defence and Trade Committee—Report	142
Wheat Marketing Amendment Bill 2006— Second Reading	144
Consideration in Detail.....	161
Third Reading.....	165
Energy Efficiency Opportunities Amendment Bill 2006— Report from Main Committee	165
Third Reading.....	165
Adjournment— Gilmore Electorate Office: Work Experience.....	165
Ovarian Cancer Research	166
Tasmanian Freight Equalisation Scheme.....	167
MAIN COMMITTEE Statements by Members— Immigration.....	169
Centrelink.....	169
Shortland Electorate: Volunteer Awards	170
Investing in Our Schools Program	171
Child Support Agency	172
Rotary Club	173
Workplace Relations.....	173
Osborne Park RSL.....	174
Australian Citizenship	175
Electorate of Gilmore: Youth Leadership Forum	176
Shortland Electorate: Volunteer Awards	177
Energy Efficiency Opportunities Amendment Bill 2006— Second Reading.....	179

CONTENTS—*continued*

Committees—	
Employment, Workplace Relations and Workforce Participation Committee—Report...	191
Adjournment—	
Television Sports Broadcasting	199
Ms Tenneil Friend.....	200
Child Sexual Assault	201
Battle of Long Tan.....	203
Climate Change	204
Boothby Electorate	205
Veterans' Affairs: Mental Health	206
Water Safety	208
Workplace Relations.....	210
Perth to Bunbury Highway.....	211
Melbourne Ports Electorate	212
Flinders Electorate: Seniors.....	213
Workplace Relations.....	214
McPherson Electorate: Needle and Syringe Program	216
Pearl Harbor	217
Moncrieff Electorate: High-Impact Tower	218
Petrie Electorate: School Funding	220
QUESTIONS IN WRITING	
KPMG Review—(Question No. 3173)	222
KPMG Review—(Question No. 3507)	222
Veterans' Affairs: Office Space—(Question No. 4602).....	223
Information Technology Divisions—(Question No. 4725)	223
Office of Small Business—(Question No. 4751)	223
Government Information: Unauthorised Leaking—(Question No. 4777).....	226
Freedom of Information—(Question No. 4843).....	228

Thursday, 7 December 2006

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

**TAX LAWS AMENDMENT
(SIMPLIFIED SUPERANNUATION)
BILL 2006**

First Reading

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

Bill read a first time.

Second Reading

Mr COSTELLO (Higgins—Treasurer) (9.02 am)—I move:

That this bill be now read a second time.

When I handed down the 2006-07 budget on 9 May this year, I announced the most significant reforms to the taxation of superannuation in Australia's history.

The reforms were received positively throughout the community, including by some who are not usually complimentary to the government. Former Labor minister Susan Ryan wrote on 12 May 2006 that:

Costello's uncharacteristically bold and effective plan to simplify super and reduce its taxes should be commended ...

She went on to say:

Maybe faced with the Treasurer's bold gazumping of Labor's cherished but slightly shabby super property, the opposition will find the resolve to get another big picture worked out and the wherewithal to let voters know about it.

Garry Weaven, industry fund advocate and former ACTU office-bearer, wrote in June that:

The Government's recent budget initiatives have proved that the Liberal Party is now the official party for superannuation.

The Institute of Actuaries stated in May that it:

... strongly applauds the Government's 'big bang' approach to the Budget reforms. This approach instantly reduces the complexity caused by 'grandfathering' of the previous tax changes ... the tax reductions and simplification measures announced in the Budget present a huge step forward in the evolution of Australia's retirement income regime.

The amendments in this bill implement the government's superannuation plan. The reforms will sweep away the current raft of complex tax arrangements that apply to superannuation, improve incentives to save, increase retirement incomes, and strengthen incentives for older Australians to stay in the workforce.

Australia's superannuation system has become increasingly complicated as a result of changes that have occurred over the last two decades. The complexities in the current tax arrangements for superannuation benefits discourage people from saving for retirement. If people cannot easily understand what they will receive from their superannuation, they will have less confidence in the system. This confuses retirement decisions and clouds the incentive to invest in superannuation.

The simplified superannuation reforms will encourage people to take a greater interest in their superannuation and give people greater confidence to make additional savings. The earlier people contribute, the greater the benefits they will be able to reap from the low-tax and long-term investment environment which is available in the superannuation system.

The amendments in this bill are also an important part of the government's commitment to reduce the complexity of the tax law, regulatory burdens and compliance costs faced by taxpayers. The reforms will cut the number of pages of superannuation law in the income tax assessment acts by over a third.

Under the new rules, in the vast majority of cases, for the 90 per cent of Australians in taxed schemes the tax treatment of their superannuation benefit will be covered in one paragraph of law if they access their superannuation after age 60. That paragraph will be, 'No tax on lump sums and no tax on pensions.'

The centrepiece of this bill is that Australians aged 60 or over will be able to access their superannuation benefits tax free if they are paid from a taxed superannuation fund. Retirees will pay no tax on lump sums and no tax on superannuation pensions. Reasonable benefit limits will be abolished. Cutting taxes will encourage saving and improve retirement incomes. A lower rate of tax and simplified arrangements will also apply to superannuation benefits paid from an untaxed fund to people aged 60 and over.

Retirees will pay lower taxes on their work income once they start drawing on their superannuation, thereby removing the current disincentive for older Australians to remain in the workforce. Improving productivity and sustaining workforce participation are integral to reducing the fiscal pressure of Australia's ageing population.

Further improvements in incentives to save will be achieved by the halving of the pension assets test taper rate from \$3 to \$1.50 per fortnight for every \$1,000 of assets above the relevant threshold. Pensioners currently have to achieve an after-tax return of 7.8 per cent on their additional savings; otherwise they lose more age pension than they generate in income on their savings. The halving of the taper rate will reduce the break-even rate of return to 3.9 per cent. Those who will benefit from the halving of the pension assets test taper rate include not only recipients of the age pension, but also disability pensioners, people receiving the carer payment, Department of Veterans' Af-

fairs service pensioners and recipients of the wife pension, widow B pension and bereavement allowance.

The bill introduces simple and streamlined contribution limits to replace age based limits. Concessional contributions made from pre-tax moneys will be limited to \$50,000 per person per year. A transitional limit of \$100,000 per person per year will apply for anyone aged 50 or over up to the 2011-12 financial year. Employers will be able to claim a full tax deduction for contributions to superannuation on behalf of employees under age 75.

To ensure superannuation tax concessions are targeted appropriately, a limit of \$150,000 per person per year or \$450,000 over a three-year period will also apply to contributions from post-tax income. A transitional cap of \$1 million on post-tax contributions will apply between 10 May 2006 and 30 June 2007. These arrangements will allow people who were planning larger contributions under the existing rules to continue with their plans. Contributions will still be subject to any applicable work test. Proceeds from the settlement of an injury resulting in permanent disablement will be exempt from the cap on post-tax contributions.

The bill also strengthens contribution incentives for the self-employed by bringing them into line with those for employees. The self-employed will be allowed to claim a 100 per cent deduction for all contributions to superannuation, compared to the 75 per cent deduction they currently receive for contributions above \$5,000, with a maximum deduction equal to their age based limit. Individuals will be able to contribute up to \$1 million over their lifetime from the sale of eligible small business assets, over and above the cap on post-tax contributions. In addition, the government's highly successful co-contribution scheme will be extended to

low- and middle-income self-employed people.

Under the reforms concessions on large employment termination payments will be limited. Currently, both superannuation and employment termination payments are counted together in assessing whether a person exceeds their reasonable benefit limits. As the reasonable benefit limits are being removed for superannuation benefits, it is necessary to apply an upper limit on the amount of employment termination payments that receive concessional tax treatment.

In order to ensure the integrity of the generous taxation concessions given to superannuation, it is necessary to ensure that tax file numbers are quoted for as many superannuation accounts as possible. Increased TFN quotation will also, over time, lead to better matching of people with their lost superannuation benefits. Where a tax file number is not quoted, a higher rate of tax will be imposed on concessional contributions, in a similar way to the higher rate of tax imposed on bank account interest, wages and dividend income where a tax file number is not quoted. People will generally have until 30 June 2008 to quote their tax file number if they have not already done so, before the higher rate need apply. The additional tax will be refunded where people subsequently quote their TFN within four years.

When an individual reaches age 65 and cannot be contacted by their fund, their superannuation benefits become unclaimed money and are paid to the government of the state or territory in which the superannuation fund is based. These moneys are held in trust by the relevant government until claimed by the rightful owner or their estate. This results in a fragmented system for individuals searching for unclaimed superannuation, particularly if they have worked in numerous

states or their fund was based in a different state to that in which they were employed. These arrangements are not optimal for older Australians trying to find their superannuation.

The Australian government is significantly enhancing the policy and administrative framework to ensure that individuals receive the full benefit from their superannuation savings. The government has provided a significant increase in resources for the ATO to reduce the amount of money held in lost accounts. This includes rationalising existing processes to identify actual lost members; more comprehensive reporting from funds; an extensive letter campaign to lost members in 2007-08 and 2008-09; establishing a web based tool for locating lost accounts; and, by 2009-10, enabling members to electronically request consolidation of their accounts through the ATO website.

The Australian government will now take full responsibility for the management of unclaimed superannuation, which means that, in future, unclaimed superannuation money will not be paid to the states or territories. This is consistent with the arrangements for lost superannuation and provides a single access point for individuals searching for lost or unclaimed superannuation and a simpler nationalised claims process going forward. As a result, individuals will be able to seek advice directly from the ATO on any superannuation related issue, without having to contact numerous government agencies.

These changes will not affect state and territory government superannuation schemes.

The Australian government is investing significant resources in these changes to assist more individuals to access all of their superannuation at retirement.

In addition to implementing the government's reforms, the bill also rewrites the superannuation tax law into the Income Tax

Assessment Act 1997 to present a clearer picture of the taxation of superannuation savings across the life of the superannuation investment. Currently, provisions are located in different parts of the old legislation and not in a logical sequence.

Significant improvements have been made to the law which will make it easier to use by taxpayers and practitioners. These include the use of plain English contemporary drafting, guides to sets of rules and the grouping of rules on a case-by-case basis. These improvements will aid in reducing compliance costs and the regulatory burden faced by business and other taxpayers. They also demonstrate the government's commitment to responding to the report of the Taskforce on Reducing Regulatory Burdens on Business, *Rethinking regulation*, which recommended that high priority be given to comprehensive simplification of the tax rules for superannuation.

Over 10 million individuals, 1.3 million employers and more than 310,000 superannuation funds are potentially affected by these extensive reforms. This bill represents a substantial investment by the government in the standard of living of Australians in retirement and demonstrates its commitment to addressing the challenges of Australia's ageing population. The streamlined superannuation system established by this bill is another major step along the path of ensuring Australia maintains a prosperous and stable economy for future generations.

I thank all of the people who have worked so hard on these reforms—the Assistant Treasurer, Mr Dutton, who is here, and his staff, my staff, the Treasury officials who are also here and who have done a wonderful job on this landmark reform. Full details of the measures in this bill are contained in the explanatory memorandum. I commend the bill to the House.

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

**SUPERANNUATION (EXCESS
CONCESSIONAL CONTRIBUTIONS
TAX) BILL 2006**

First Reading

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

Bill read a first time.

Second Reading

Mr COSTELLO (Higgins—Treasurer) (9.17 am)—I move:

That this bill be now read a second time.

This bill is a companion bill to the Tax Laws Amendment (Simplified Superannuation) Bill 2006. The purpose of the bill is to impose excess concessional contributions tax to give effect to the limit on concessional contributions to superannuation. Full details of this bill are contained in the explanatory memorandum already presented.

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

**SUPERANNUATION (EXCESS NON-
CONCESSIONAL CONTRIBUTIONS
TAX) BILL 2006**

First Reading

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

Bill read a first time.

Second Reading

Mr COSTELLO (Higgins—Treasurer) (9.17 am)—I move:

That this bill be now read a second time.

This bill is a companion bill to the Tax Laws Amendment (Simplified Superannuation) Bill 2006. The purpose of the bill is to impose excess non-concessional contributions tax to give effect to the limit on non-concessional contributions to superannuation. Full details of this bill are contained in

the explanatory memorandum already presented.

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

**SUPERANNUATION (EXCESS
UNTAXED ROLL-OVER AMOUNTS
TAX) BILL 2006**

First Reading

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

Bill read a first time.

Second Reading

Mr COSTELLO (Higgins—Treasurer) (9.19 am)—I move:

That this bill be now read a second time.

This bill is a companion bill to the Tax Laws Amendment (Simplified Superannuation) Bill 2006. The purpose of the bill is to impose the top marginal tax rate, plus Medicare levy, on excess lump sum payments made from untaxed schemes—that is, lump sum payments in excess of \$1 million. These arrangements ensure comparable treatment of taxed and untaxed schemes, given annual contribution limits apply to taxed schemes. Full details of this bill are contained in the explanatory memorandum already presented.

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

**SUPERANNUATION (DEPARTING
AUSTRALIA SUPERANNUATION
PAYMENTS TAX) BILL 2006**

First Reading

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

Bill read a first time.

Second Reading

Mr COSTELLO (Higgins—Treasurer) (9.20)—I move:

That this bill be now read a second time.

This bill is a companion bill to the Tax Laws Amendment (Simplified Superannuation) Bill 2006. The purpose of the bill is to replace the Income Tax (Superannuation Payments Withholding Tax) Act 2006 to reflect the new components of superannuation benefits created by the simplified superannuation bill. It realigns the tax treatment of departing Australia superannuation payments with the new superannuation taxation regime that applies from 1 July 2007. Full details of this bill are contained in the explanatory memorandum already presented.

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

**SUPERANNUATION (SELF MANAGED
SUPERANNUATION FUNDS)
SUPERVISORY LEVY AMENDMENT
BILL 2006**

First Reading

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

Bill read a first time.

Second Reading

Mr COSTELLO (Higgins—Treasurer) (9.21 am)—I move:

That this bill be now read a second time.

This bill is a companion bill to the Tax Laws Amendment (Simplified Superannuation) Bill 2006. The purpose of the bill is to facilitate the collection of a self-managed superannuation fund's supervisory levy with its income tax liability, by removing the current specific penalty for late lodgement of a fund's regulatory return. This will allow the general interest charge to be applied for late lodgement of the return, consistent with income tax arrangements. Full details of this bill are contained in the explanatory memorandum already presented.

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

**PRIVATE HEALTH INSURANCE
BILL 2006**

First Reading

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

Bill read a first time.

Second Reading

Mr ABBOTT (Warringah—Minister for Health and Ageing) (9.23 am)—I move:

That this bill be now read a second time.

This government is committed to choice in health care. Initiatives such as the 30 per cent rebate, the increased rebate for older Australians, no gap and known gap arrangements, the Medicare levy surcharge and Lifetime Health Cover are important measures which the government has implemented to enhance choice, certainty and the value of private health care.

The government's strong commitment to choice in health care ensures a viable and sustainable private health sector and, in turn, improves the capacity of the public hospital system. It also gives millions of Australians, often on low and fixed incomes, peace of mind. They know that when something serious happens to them they can face the trauma of hospital and medical care with the freedom to choose their doctors and places of treatment.

It is a matter of pride for the government that these measures have halted the slide in private health insurance membership. From just over 30 per cent seven years ago, private health insurance membership has stabilised at about 43 per cent of the Australian population. Private hospital admissions, mostly funded by private health insurance, now account for almost three-fifths of all surgical procedures. Medical practitioners who work in the private sector, again largely funded by private health insurance, earn a return on their efforts that makes them willing to do

the sessional work in the public sector on which our public hospitals depend.

Still, there is the ongoing task of revitalising the private health sector. The next step is to help it adapt to the realities of early 21st century health care: a way of care that does not always centre on admission to hospital. Day procedures, outpatient services, hospital in the home, wellness and prevention are all part of the healthcare equation in a way that simply was not envisaged when the current regulatory regime was devised over half a century ago.

This package of bills, to come into effect from 1 April next year, will enact the reforms to private health insurance announced on 26 April 2006. These changes should translate into greater competition and improved services for consumers. The changes should also mean much clearer and simpler regulation for health insurers and service providers.

Private Health Insurance Bill 2006

The main bill, the Private Health Insurance Bill 2006, is a significant piece of legislation. It sets out a comprehensive regulatory framework for the private health insurance sector to replace the current regime, mainly set out in the National Health Act 1953, the Health Insurance Act 1973, and the Private Health Insurance Incentives Act 1998.

This bill contains important measures for consumers, including broader health cover, standard product information, a comparative website for consumers, and changes to Lifetime Health Cover for those with 10 years continuous cover.

By far the most significant new measure is the introduction of broader health cover. Hospital cover will expand to cover out-of-hospital services that substitute for or prevent hospital care. This is a groundbreaking change. Health insurers will now have the choice to offer it to the almost nine million Australians with hospital cover.

Broader health cover will apply to services that can safely be delivered outside a hospital and which substitute for or prevent hospital care. This will potentially include a wide range of services, such as dialysis and chemotherapy, allied health services and domestic nursing assistance.

Broader health cover will also allow health insurers to work with a wide range of service providers to develop more flexible and innovative products that reflect modern clinical practice and consumer expectations. Health insurers will be able to better assist consumers to manage and prevent acute and chronic conditions. Many people can benefit from tailored programs that support and sustain healthy lifestyles, services such as personalised health checks, dietary guidance, exercise supervision, and support to quit smoking.

Some things will not be covered under broader health cover, including:

- general practice services;
- specialist and physician consultations that attract a Medicare rebate; and
- the costs of normal residential accommodation in aged-care facilities.

Consumers can expect products that offer greater convenience and relevance to their needs all of the time, not just when they go to hospital. Broader health cover policies will be fully covered by the government's private health insurance rebates.

The bill also ensures that the contracts that doctors have with insurers may not limit the clinical freedom of doctors to choose the most appropriate treatment for their patients.

Effective choice depends on information. Consumers will benefit from new requirements on insurers to produce standard information statements for their products. These information requirements will help consumers to compare health insurance policies and

to understand their entitlements under them. This will assist consumers when they are shopping around for cover and, importantly, when they need to use their cover. With funding announced in this year's budget, the Private Health Insurance Ombudsman is developing a website to present this information to further assist consumers with their private health choices.

As the government announced earlier this year, the ministerial role in reviewing private health insurers' premium applications is being retained. This is an important consumer protection, as well as safeguarding the Australian people's investment in the private health insurance rebate. As part of the annual premium application process, the government may give informal advice on the factors the minister will take into account in considering proposed premium increases.

The government previously announced that it would legislate to provide annualised health insurance contracts, so that a member would not face more than one rate adjustment in any one premium year. However, after extensive consultation with industry and employers handling salary deductions for private health insurance, the government has decided not to proceed with this measure on the grounds of expense and efficiency.

Indeed, the government is pleased that the industry has been behaving responsibly in regard to helping its members through rate changes. We are happy that funds have honoured prepaid contributions applying after a rate change, and in lieu of legislation we expect this responsible self-regulation to continue.

This bill also includes changes to Lifetime Health Cover. People who have retained their private hospital insurance continuously for more than 10 years will no longer be subject to Lifetime Health Cover penalties. This recognises and rewards people who have made

the effort to maintain their cover over time, having first joined after the age of 30. They have made the effort and they deserve credit for their commitment and loyalty.

Efficiently run health funds mean lower overheads and lower pressure on premiums. This bill includes significant regulatory reforms which aim to make private health clearer and simpler.

The first such measure changes the focus of regulation from insurers to products. Under the existing arrangements, product regulation is achieved through an arcane set of conditions of registration imposed on insurers. Currently insurers are subject under the National Health Act to no fewer than 48 conditions of registration, and could be de-registered for breaching any of them. This is as clumsy as it is onerous.

By regulating products not providers the government wants to open the door more widely to new entrants into the private health insurance industry and the possibility of existing health insurers adapting their businesses to current market conditions and consumer demands.

The bill also includes offence provisions for breaching the new product standards. The penalties are the maximum allowable. It will be open to a court to impose a lesser penalty depending on the magnitude of the offence.

Chief executive officers and directors can be held personally liable only if they do not exercise due diligence in putting in place systems to ensure that insurers comply with the product standards. The government's intent is to align health insurer director and chief executive obligations with general corporate governance expectations. The directors of insurers, except as mentioned, will not be personally liable for any breach of the new act by insurers. The corporation, not the individual board members and chief executives, will be held accountable instead.

Accountability for poor governance and decision making is more properly a matter for the Corporations Law, for members where the fund is a mutual corporation and, in the case of any future for-profit insurers, shareholders. It should also be noted that the majority of the offence provisions in the bill currently exist in health insurance legislation. The few new offence provisions, while industry specific, have been framed to maximise consistency with existing Commonwealth law.

The second significant regulatory measure is the clarification of the operating rules relating to health benefits funds. While insurers are required to have health benefits funds under the existing arrangements, there are no clear requirements on the conduct of such funds.

The bill sets out a framework for the establishment, operation, merger and termination of these funds. This will require that the assets of the health benefits fund only be used to meet the liabilities arising from the health insurance business or any health related business. Insurers registered to operate on a for-profit basis may withdraw money for other purposes if the capital adequacy and solvency standards are not breached.

The new health benefits funds provisions will improve prudential oversight and protection of the public interest. They will also make it easier to restructure or amalgamate insurance businesses. And by drawing a clear line between the wider business of the insurer and the business of the fund, the bill will also make it easier for new entrants to access the market.

The bill also clarifies aspects of the role of the Private Health Insurance Administration Council, PHIAC, in supervising insurers and their health benefits funds. The current ability for PHIAC to set capital adequacy and solvency standards will be maintained, to-

gether with the ability to direct insurers to take action to meet the standards. The bill will also allow PHIAC to set prudential standards for insurers.

The bill allows for subordinate legislation known as the Private Health Insurance Rules to be made by legislative instruments. The rules will:

- continue current default benefit arrangements;
- maintain front end deductible limits for hospital products; and
- restrict eligibility for the private health insurance rebates to people who are eligible for Medicare.

The bill also includes a number of smaller but significant measures that simplify and reduce regulation, including the simplification of the Lifetime Health Cover rules and the rewriting of the rules around waiting periods and portability requirements.

The government has made an undertaking to the industry to review the operation of the legislation as industry develops to meet its requirements over the next few years.

The government has worked cooperatively and constructively with the private health sector in developing this legislation. I have also given an undertaking that I will consider further input over the summer recess and am prepared to introduce government amendments to give effect to refinements that are consistent with the government's policy objectives.

Finally, I should also place on the record the government's thanks to the team of officers in my department who have worked long and hard to develop this highly complex legislation in a matter of months.

I commend the bill to the House.

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

**PRIVATE HEALTH INSURANCE
(TRANSITIONAL PROVISIONS AND
CONSEQUENTIAL AMENDMENTS)
BILL 2006**

First Reading

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

Bill read a first time.

Second Reading

Mr ABBOTT (Warringah—Minister for Health and Ageing) (9.35 am)—I move:

That this bill be now read a second time.

This bill provides for the transition from the current regulatory regime to the new Private Health Insurance Bill. It also provides for the repeal of redundant parts of the National Health Act 1953 and Health Insurance Act 1973 and makes amendments to a range of other acts, mainly to reflect changes in the definitions of insurers and the products they offer.

An important transitional measure of this bill provides that facilities that were declared as hospitals under the National Health Act 1953 or the Health Insurance Act 1973 will be taken to be public or private hospitals under the proposed new act until 1 July 2008. This provides a period for hospitals to make an application to be declared a hospital under the proposed new act.

This bill also provides for outreach services declared under the National Health Act 1953 to be treated as hospital treatment under the proposed new act until 1 July 2008.

The bill provides a transitional registration regime for organisations registered as insurers under the National Health Act 1953 to be taken as private health insurers under the proposed new act until 1 July 2008. To ensure consistent standards of good governance the bill will also require all existing health insurance providers to be corporations regis-

tered by Australian Securities Investment Commission by 1 April 2008.

The bill also clarifies that a health benefits fund conducted by an insurer registered under the National Health Act 1953 that existed before the commencement of the proposed new act, including all of its assets and liabilities, is taken to be a health benefits fund under the proposed new act.

I commend the bill to the House.

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

**PRIVATE HEALTH INSURANCE
(PROSTHESES APPLICATION AND
LISTING FEES) BILL 2006**

First Reading

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

Bill read a first time.

Second Reading

Mr ABBOTT (Warringah—Minister for Health and Ageing) (9.37 am)—I move:

That this bill be now read a second time.

This bill imposes listing and application fees on prostheses sponsors to recover the costs of evaluating and listing prostheses for private health insurance purposes.

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

**PRIVATE HEALTH INSURANCE
(COLLAPSED ORGANIZATION LEVY)
AMENDMENT BILL 2006**

First Reading

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

Bill read a first time.

Second Reading

Mr ABBOTT (Warringah—Minister for Health and Ageing) (9.38 am)—I move:

That this bill be now read a second time.

This bill amends the Private Health Insurance (Collapsed Organization Levy) Act 2003 to update definitions resulting from the replacement of the National Health Act 1953 by the proposed Private Health Insurance Act.

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

**PRIVATE HEALTH INSURANCE
COMPLAINTS LEVY AMENDMENT
BILL 2006**

First Reading

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

Bill read a first time.

Second Reading

Mr ABBOTT (Warringah—Minister for Health and Ageing) (9.39 am)—I move:

That this bill be now read a second time.

This bill amends the Private Health Insurance (Complaints Levy) Act 1995 to update definitions resulting from the replacement of the National Health Act 1953 by the proposed Private Health Insurance Act.

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

**PRIVATE HEALTH INSURANCE
(COUNCIL ADMINISTRATION LEVY)
AMENDMENT BILL 2006**

First Reading

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

Bill read a first time.

Second Reading

Mr ABBOTT (Warringah—Minister for Health and Ageing) (9.39 am)—I move:

That this bill be now read a second time.

This bill amends the Private Health Insurance (Council Administration Levy) Act 2003 to update definitions resulting from the replacement of the National Health Act 1953

by the proposed Private Health Insurance Act.

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

**PRIVATE HEALTH INSURANCE
(REINSURANCE TRUST FUND LEVY)
AMENDMENT BILL 2006**

First Reading

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

Bill read a first time.

Second Reading

Mr ABBOTT (Warringah—Minister for Health and Ageing) (9.40 am)—I move:

That this bill be now read a second time.

This bill amends the Private Health Insurance (Reinsurance Trust Fund Levy) Act 2003 to update definitions resulting from the replacement of the National Health Act 1953 by the proposed Private Health Insurance Act.

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

BUSINESS

Mr ABBOTT (Warringah—Leader of the House) (9.41 am)—I move:

That standing order 31 (Automatic adjournment of the House) and standing order 33 (Limit on business after 9.30 p.m.) be suspended for this sitting.

Question agreed to.

AUSCHECK BILL 2006

First Reading

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

Bill read a first time.

Second Reading

Mr RUDDOCK (Berowra—Attorney-General) (9.42 am)—I move:

That this bill be now read a second time.

Since the events of 11 September 2001, the Australian government has adopted substantial measures to strengthen aviation security, including hardening cockpit doors, requiring passenger screening for all regular passenger jet flights, upgraded closed circuit television and monitoring capability, and enhanced cargo security clearances and checked baggage screening. We have also taken measures to strengthen maritime security.

The government is not prepared to rest on its laurels. We are committed to continuing to strengthen transport security.

In 2006, the government announced new measures to further tighten security at Australia's air and sea ports. It has agreed to additional expenditure of \$4.7 million over four years, including \$2.9 million for the establishment of a regime to audit the activities of aviation security identification card (ASIC) and maritime security identification card (MSIC) issuing bodies.

Policy objective

Last year the government agreed to establish a centralised background checking service in the Attorney-General's Department as part of a wider initiative to strengthen the ASIC and the MSIC systems. The government will coordinate background checks on people who work in the secure areas of airports and seaports, namely those who are required to have an ASIC or an MSIC.

The new division has been established, now known as AusCheck, and it will help the aviation and maritime industries to identify high-risk individuals who should not be granted an ASIC or an MSIC. AusCheck will apply a more consistent approach to the statutory requirements set for each scheme and to notifying the relevant bodies of the outcome of the background checks. AusCheck will operate on a cost recovery basis.

The government also decided that AusCheck will use the proposed National Documentation Verification Service to assist in determining the bona fides of applicants. It will also maintain a comprehensive database of all applicants and ASIC and MSIC cardholders. AusCheck will operate in accordance with the provisions of the Privacy Act 1988 and will ensure that information in its database is properly protected.

Once fully operational, AusCheck will also be able to manage other background checking schemes and minimise duplication of effort for individuals who need to apply for background checks for different purposes.

The decision to establish AusCheck followed a recommendation of Sir John Wheeler's Airport Security and Policing Review and is an important part of the government's ongoing commitment to improve aviation and maritime security.

AusCheck is scheduled to commence operations on 1 July 2007, which will allow it sufficient time to set up the information and computer technology and business process required, conduct a privacy impact assessment and consult with industry.

Outline of the bill

This bill will provide legislative authority to enable AusCheck to provide centralised background coordination and checking services for the Commonwealth, to manage a variety of schemes and to provide for AusCheck to establish a background checking scheme in its own right.

To ensure that AusCheck can be used to best advantage, and take on future background checking functions, the bill contains a series of generic background coordination and checking powers to be exercised in accordance with parameters to be defined by regulation for each scheme.

Under this approach the basic elements of Commonwealth background checking provisions will be centralised in this act. This flexible approach facilitates applying best practice background checking across Commonwealth administration.

The bill also provides for the establishment of a database of people who apply for background checks and of security cardholders, for the transfer of existing records of applicants and cardholders to AusCheck and for limits on access to, use of and disclosures from the database.

Providing for the transfer of existing records to AusCheck is necessary to minimise duplication of effort for applicants and to ensure that the database provides a comprehensive picture of the results of background checking prior to AusCheck's commencement.

Conclusion

This bill provides a legislative framework and the regulations made under it will allow for the consolidation of background checking schemes. Initially AusCheck will only coordinate the checking for the ASIC and MSIC schemes. However, the core framework will facilitate the possible extension of AusCheck's role to other background checking functions.

The creation of AusCheck as the centralised background checking service for the Commonwealth is in keeping with the public's expectations that adequate security arrangements are in place. AusCheck will in time reduce duplication of effort where individuals require background checks for different purposes, and should in time help develop a more consistent and reliable approach to background checking.

The bill is necessary to provide legislative authority for those processes, to allow for cost recovery and to provide appropriate pro-

tections for the information that will be collected and stored by AusCheck.

The bill is another important step in improving air and maritime security specifically and national security generally.

I commend the bill to the House.

Debate (on motion by **Ms Roxon**) adjourned.

**CLASSIFICATION (PUBLICATIONS,
FILMS AND COMPUTER GAMES)
AMENDMENT BILL 2006**

First Reading

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

Bill read a first time.

Second Reading

Mr RUDDOCK (Berowra—Attorney-General) (9.48 am)—I move:

That this bill be now read a second time.

The Classification (Publications, Films and Computer Games) Amendment Bill 2006 amends the classification act to implement government policy on the accountability framework for statutory agencies and to ensure the national classification scheme's ongoing smooth operation in a changing technological environment.

The bill facilitates the integration of the Office of Film and Literature Classification into the Attorney-General's Department.

Classification Board and Classification Review Board functions remain unchanged. But the Director of the Classification Board will cease to have agency management powers and financial responsibilities. The Attorney-General's Department will provide staff to support each of the boards and assume responsibility for their financial administration.

These changes reinforce the independent functions of the Classification Board and the Classification Review Board. The bill con-

fines the existing powers of the director to matters associated with the board and gives separate statutory powers to the convenor for matters associated with the review board.

The bill also transfers from the Director of the Classification Board to the Attorney-General, as the minister administering the act, responsibility for delegated legislation, consistent with ministerial responsibility.

This includes the power to determine markings to be displayed about classified material—to be exercised in consultation with state and territory censorship ministers. The minister, rather than the director, will also determine fee waiver principles to be applied by the director and the convenor when waiving fees payable under the act for applications.

The bill also makes amendments to improve the operation of the national classification scheme—responding to industry concern about marketing imperatives and the law's application in light of changing technology. They streamline the classification process and reduce the regulatory burden on industry. These amendments have been the subject of consultation including with state and territory censorship ministers.

Descriptions or translations such as subtitling, captioning, dubbing or audio descriptions, and navigation functions such as interactive menus, are increasingly added to already classified films. Currently, these constitute 'modifications', necessitating the film's reclassification.

However, descriptions or translations do not provide new content. They provide access to already classified material for the ageing population, and for people with language barriers, or visual or hearing impairments. Likewise, menu functions merely facilitate navigation around new media such as DVDs. They include 'play' or 'fast for-

ward' functions, or menu options to navigate between selections.

Following amendment, such descriptions or translations and navigation functions will no longer be considered modifications requiring reclassification.

This bill also facilitates the addition of related but new material to already classified feature movies when they are re-released on disc for sale or hire. These include additional scenes, interviews with the director, and even featurettes taking their meaning from the content of the film.

Currently, these additions mean that the disc constitutes a new 'film' as defined, and must be classified, even though the feature movie on the disc has already been classified. Additional content rarely results in a classification different from that of the feature film on the disc.

The bill provides for an additional content assessment scheme whereby a person appropriately trained and authorised by the director may recommend to the Classification Board the classification and consumer advice for additional content released with already classified or exempt films. The Classification Board will retain responsibility for classifying the film. But its consideration will be assisted by the assessment of an authorised assessor.

The scheme contains safeguards to ensure the integrity of the system. These include requiring the board to revoke classifications in specified circumstances which demonstrate that the assessment on which the classification was based was highly unreliable and the board would otherwise have made a different classification decision.

In addition, the director has a power to revoke, in specified circumstances, an additional content assessor's status or, in serious cases, bar them from being an assessor for up to three years, or bar an applicant from using

the additional content assessment scheme for up to three years. These powers are permissive, and only exercisable under certain conditions. They are designed to deter users from abusing the system or providing lax or inadequate assessments of additional content. Decisions by the director to revoke an assessor's status or bar an assessor or applicant from using the scheme may be reviewed by the Administrative Appeals Tribunal.

The additional content assessment scheme was developed following public consultation on a discussion paper released earlier this year. The amendments are modelled on the existing authorised computer games assessor scheme which has been operating successfully for a number of years.

The bill contains several other minor amendments which respond to changing technology and marketing initiatives and miscellaneous technical amendments.

The amendments contained in this bill will ensure the national classification scheme continues to serve both industry and the public well—responding to the needs of the rapidly evolving world of entertainment media but guaranteeing the reliability of classification information for consumers.

I commend the bill to the House.

Debate (on motion by **Ms Roxon**) adjourned.

**CUSTOMS LEGISLATION
AMENDMENT (AUGMENTING
OFFSHORE POWERS AND OTHER
MEASURES) BILL 2006**

First Reading

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

Bill read a first time.

Second Reading

Mr RUDDOCK (Berowra—Attorney-General) (9.54 am)—I move:

That this bill be now read a second time.

This bill, the Customs Legislation Amendment (Augmenting Offshore Powers and Other Measures) Bill 2006, contains amendments to the Customs Act 1901 and the Customs Legislation Amendment and Repeal (International Trade Modernisation) Act 2001 that relate to:

- border enforcement powers under the Customs Act;
- Customs brokers' employment arrangements;
- duty recovery and payments of duty under protest; and
- false and misleading statements made under the new SmartGate system.

This bill empowers Customs officers and other Commonwealth officers, immediately after boarding a ship or aircraft for various border enforcement purposes under the Customs Act, the Criminal Code and any relevantly prescribed act, to conduct personal searches for, take possession of and retain:

- (a) weapons;
- (b) items that may assist a person to escape detention; and
- (c) evidence of the commission of a relevant offence.

The new powers ensure the personal safety of the officers in exercising their enforcement functions, help prevent the escape of any person detained as a suspect, and help prevent the disposal of evidence. This bill will also make amendments to other provisions relating to search powers in the Customs Act.

To recognise the changing employment practices in the customs brokers' community, this bill will remove the current restrictions in the Customs Act prohibiting individual customs brokers from being employed by

more than a Customs brokerage at the same time.

The bill amends the Customs Act to limit the time for the recovery of customs duty to four years in all cases, except in the case of fraud or evasion where no time limit will apply. The proposed new regime is a response to the decision of the High Court in *Malika Holdings Pty Ltd v Stretton* (2001) 204 CLR 290 and is consistent with the existing regime for the recovery of other indirect taxes.

The bill will also clarify the process for making a payment of customs duty under protest. Further, the bill will amend the Customs Act to enable the CEO, in certain circumstances, to offset an amount of unpaid duty on goods against any amount of refund or rebate the owner would be eligible for if the owner pays the duty.

Customs will be introducing the electronic SmartGate passenger processing system in early 2007 that will allow eligible air passengers and crew to use an automated clearance process through the immigration point at the border.

This bill will amend the Customs Act to ensure that any false and misleading information provided using the SmartGate system is covered by the existing offence provisions relating to making false and misleading statements to an officer of Customs.

I commend the bill to the House.

Debate (on motion by **Ms Roxon**) adjourned.

**NATIVE TITLE AMENDMENT
BILL 2006**

First Reading

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

Bill read a first time.

Second Reading

Mr RUDDOCK (Berowra—Attorney-General) (9.57 am)—I move:

That this bill be now read a second time.

It is more than 12 years since the commencement of the Native Title Act 1993, which was enacted in response to the landmark High Court decision in *Mabo No. 2*. It is over eight years since the 1998 amendments to the act were passed, which included measures identified in response to another significant High Court decision, the *Wik* judgment. Unlike the 1993 and 1998 legislation processes, the Native Title Amendment Bill 2006 is not being introduced in response to any judicial decision. The key catalyst for the bill is the government's commitment to improve the performance of the native title system.

While native title matters are complex, most stakeholders acknowledge the current framework for resolving native title applications remains too costly and time consuming. It is a matter of clear concern that many Indigenous Australians have not been able to see resolution of their claims within their lifetime, and have therefore been unable to enjoy due recognition of their rights under law. It is in the interests of all Australians, not just parties to claims, that claims are determined more expeditiously.

In September 2005, I announced the Australian government was undertaking a comprehensive reform process examining all aspects of the native title system. The package of reforms, of which this bill is only part, is designed to ensure the system delivers effective outcomes more expeditiously for all parties, and to encourage agreement-making in preference to litigation. The government is not seeking to disturb the fundamentally important objective of native title in the Native Title Act to recognise and protect native title. The measures in the bill do not seek to wind

back or undermine native title rights and focus largely on the framework for determining native title claims.

A second bill to implement outstanding measures from the package of reforms will be introduced into parliament early next year, and will include minor and technical amendments designed to improve the workability of the act. Collectively, the legislative changes and other non-legislative reforms will promote performance across the system.

More effective tribunal mediation

This bill will amend the Native Title Act to implement measures from the claims resolution review, an independent study commissioned by the government. The review found institutional reform was needed to facilitate more effective resolution of claims, particularly with respect to the role of the National Native Title Tribunal.

The review concluded that the effectiveness of tribunal mediation was inhibited by a lack of powers to ensure parties participate productively. The tribunal will be given powers to direct parties to attend mediation conferences and to compel production of documents. In addition, the tribunal will be given new review and inquiry functions on matters that go to central issues in native title claims.

Better coordination and communication between the court and tribunal

To limit potential for wasted resources and delay, amendments will remove potential duplication between the court and the tribunal and improve claims management between those bodies. The legislation will make clear that mediation cannot be carried out by both bodies at the same time. The presumption is that all native title claims should be referred promptly to the Native Title Tribunal for mediation, subject to specific exceptions. There should be no unnecessary

delay by the court referring matters to the Native Title Tribunal for mediation.

The tribunal's role will be further strengthened by giving it a right to appear before the court, and by expanding its reporting functions. The court will be required to consider reports provided by the tribunal when making orders in relation to relevant matters.

Behaviour of parties

Reform to the institutional framework is only part of the solution to achieving more expeditious claims resolution. The bill introduces measures directed at ensuring parties act responsibly.

A provision will be included to make clear all parties and their representatives must mediate in good faith. The tribunal will be able to report breaches to the court and—where relevant—to other bodies.

Claimants bear responsibility for ensuring claims, once lodged, are progressed appropriately. The court's power to dismiss claims that are unlikely to proceed to determination will be strengthened. Other amendments will assist in limiting the involvement of other parties in proceedings to issues which are directly relevant to their interests.

Effective and accountable native title representative bodies

Native title representative bodies (NTRBs) are recognised under the act to assist claimants in preparing and advancing native title applications. The bill introduces measures to ensure these bodies operate with greater effectiveness and accountability.

Under the new provisions there will be enhanced flexibility in the NTRB system including by replacing the current indefinite recognition of NTRBs with fixed terms. The changes also address anomalies and inconsistencies in how changes to NTRB boundaries can be made.

Flexibility for prescribed bodies corporate

Consistent with the need for a balanced approach to the reforms, the bill also introduces amendments to the regime for prescribed bodies corporate (PBCs), which are the bodies responsible for managing native title following a determination. The amendments will enable improvements to the PBC regime to accommodate the specific interests of the native title holders.

Extending respondent funding scheme to cover more agreements

Consistent with the government's strategy of encouraging resolution of native title claims through agreement making, the bill includes a measure to enable financial assistance to be provided in a wider range of circumstances to respondents participating in the right to negotiate process.

Conclusion

The reforms in this bill have been the subject of extensive consultation with stakeholders. While it does not seek to disturb the general framework governing native title, and does not undermine the existing balance of rights under the Native Title Act, the measures will provide a platform to enable more efficient and effective outcomes, which is in the interests of all Australians.

I will be continuing to work with all stakeholders to secure the promise which native title can and should offer for a better Australia.

I commend the bill to the House.

Debate (on motion by **Ms Roxon**) adjourned.

**EMPLOYMENT AND WORKPLACE
RELATIONS LEGISLATION
AMENDMENT (WELFARE TO WORK
AND VOCATIONAL REHABILITATION
SERVICES) BILL 2006**

First Reading

Bill and explanatory memorandum presented by **Dr Stone**.

Bill read a first time.

Second Reading

Dr STONE (Murray—Minister for Workforce Participation) (10.05 am)—I move:

That this bill be now read a second time.

This bill contains a number of amendments to the Disability Services Act 1986 to support the staged introduction of contestability for vocational rehabilitation services. The bill also makes a number of minor and technical amendments to the Social Security Act 1991 and the Social Security (Administration) Act 1999 to ensure there is integrity in the application of the law and to ensure that the Welfare to Work measures which commenced on 1 July 2006 continue to be fairly and consistently applied.

CRS Australia—the Commonwealth Rehabilitation Service Australia—is currently the sole provider of Australian government funded vocational rehabilitation services. The government wants people with disability or injuries to have greater choice of rehabilitation providers to assist them to re-enter the workforce. Therefore, the government is introducing contestability in the provision of vocational rehabilitation services. The first stage introduces partial contestability for the two-year period from 1 July 2007.

The Welfare to Work changes commenced on 1 July 2006. They are the most significant changes to the Australian social security system for at least 50 years. The smooth implementation across policy agencies and service providers is a commendable achievement.

While it is still early days since implementation, the most recent labour force data indicate extremely encouraging trends towards the reform's key goals—namely, increased workforce participation and strong employment rates.

The amendments will enhance the smooth operation of the legislation so that job seekers among the targeted disadvantage groups of the Welfare to Work reforms—long-term unemployed people, parents of school age children, mature age Australians and people with disabilities—can continue to be supported and assisted to build their capacity and find work through employment and related services.

There are minimal financial implications for the measures contained in this bill.

I commend this bill to the House.

Debate (on motion by **Mr Laurie Ferguson**) adjourned.

**MURRAY-DARLING BASIN
AMENDMENT BILL 2006**

First Reading

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

Bill read a first time.

Second Reading

Mr HARDGRAVE (Moreton—Minister for Vocational and Technical Education and Minister Assisting the Prime Minister) (10.08 am)—I move:

That this bill be now read a second time.

The main purpose of this bill is to amend the Murray-Darling Basin Agreement to enable improved business practices for River Murray Water, which is the water business unit of the Murray-Darling Basin Commission. The amendments also clarify that Queensland cannot be held liable for works and measures in which it is not directly involved and set out details of authorised joint

works and measures in relation to salinity management.

These amendments represent part of the response of the Murray-Darling Basin Commission and Murray-Darling Basin Ministerial Council to the Council of Australian Government (COAG) water reform principles adopted in 1994. Specifically these required the ministerial council to put in place arrangements so that funds to maintain, refurbish and upgrade infrastructure controlled by the commission can be provided in a timely way.

Since 1998, the ministerial council has each year endorsed a cost-sharing arrangement based on levels of service provided by its River Murray Water business to the states of New South Wales, Victoria and South Australia. Further business reforms, inherent in the application of the COAG principles, were, in fact, limited by the terms of the Murray-Darling Basin Agreement. Recognising these limits, the National Competition Council endorsed the initial responses of the ministerial council, including its commitment to seek the agreement of the relevant partner governments to amend the agreement to enable the full extent of the COAG principles to be achieved.

The amending agreement allows governments to make annual 'annuity' contributions towards the future capital and maintenance costs of the commission's water business, with the power to borrow where accumulated funds are insufficient to meet costs in any year. These annuity contributions will reduce fluctuations which might otherwise occur in governments' annual contributions and also give a better reflection of the long-run costs of providing water business services.

Of particular interest to the Australian government, the amending agreement simplifies the identification of costs to which the Commonwealth does and does not contrib-

ute. Under the agreement, the Commonwealth is responsible for one quarter of all the investigation, construction and administration costs of the commission. It also contributes half the cost of investigations for salinity mitigation schemes. As the Commonwealth is not responsible for any of the operation and maintenance costs of the commission's water business, any Commonwealth contribution to an annual annuity cannot be used for maintenance costs.

The amending agreement enables the ministerial council to recover water business costs from state governments in shares comparable to those which would apply if fee-for-service pricing were introduced. The amendment enshrines COAG principles relating to the costs of water services and eliminates cross-subsidies between the states for water business costs.

In 2006, the Australian government provided a \$500 million cash injection to the Murray-Darling Basin Commission. The funds will accelerate water recovery measures, ensure that best use is made of water recovered for the environment and fully implement agreed programs. The amending agreement allows this and other commission monies to be invested more flexibly than the current agreement allows. Instead of being restricted to investing in fixed bank deposits, the commission will be able to invest in accordance with guidelines set by the ministerial council.

The current Murray-Darling Basin Agreement sets financial thresholds for certain commission activities, above which approval must be obtained from the ministerial council. These thresholds were set in 1992 with no provision for adjusting them to account for inflation or price increases. The amending agreement allows the ministerial council to alter the thresholds as it sees fit.

The amending agreement also makes a number of minor amendments including clarifying definitions, clarifying the annual estimates approval process, providing flexibility to appoint auditors and adding a detailed description of works and measures to the basin salinity management schedule.

Queensland became a party to the agreement on the basis that it would only contribute towards works and measures in which it is directly involved. The amending agreement removes ambiguities in the agreement that could be interpreted as widening Queensland's liabilities. This amendment has no impact on the Commonwealth.

Negotiations between governments on these matters have extended over several years, leading to a final endorsement by the ministerial council in September 2005. The amending agreement was subsequently signed by relevant first ministers at the COAG meeting on 14 July 2006.

In summary this bill asks the parliament to approve the Murray-Darling Basin Amending Agreement 2006, which will, in turn, amend the existing Murray-Darling Basin Act 1993.

The Murray-Darling Basin Agreement amending agreement has been agreed by the Commonwealth and the governments of New South Wales, Victoria, Queensland, South Australia and the Australian Capital Territory. The amending agreement will also require the approval of the parliaments of New South Wales, Victoria, Queensland, South Australia and the Australian Capital Territory before it formally comes into force.

The bill will not affect the level of funding the government has allocated for the Murray-Darling Basin Commission. However, it will enable the commission to improve business practices for its water business unit, River Murray Water.

I commend the bill to the House.

Debate (on motion by **Mr Laurie Ferguson**) adjourned.

**AUSTRALIAN TECHNICAL
COLLEGES (FLEXIBILITY IN
ACHIEVING AUSTRALIA'S SKILLS
NEEDS) AMENDMENT BILL
(No. 2) 2006**

First Reading

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

Bill read a first time.

Second Reading

Mr HARDGRAVE (Moreton—Minister for Vocational and Technical Education and Minister Assisting the Prime Minister) (10.15 am)—I move:

That this bill be now read a second time.

This bill demonstrates the continued success of the Australian technical colleges (ATCs) program and reflects the better than expected progress that has been achieved to date in implementing this Howard government initiative.

I can report to the House that 24 of the 25 Australian technical colleges have now been announced and 20 of these have already signed funding agreements with the Australian government ensuring funding for their establishment and operations up until the end of 2009. At least 21 colleges will be in operation during 2007, with a forecast 2,000 Australian students studying school based apprenticeships at those colleges. This initiative has been implemented well ahead of the schedule announced at the 2004 election.

Australian technical colleges have clearly been embraced by the communities, employers and industry in the regions in which they are being established. Other Australian communities also want an Australian technical college. My own electorate of Moreton wants one. I guess I have to put a lot of work into making sure that something like that

does happen. Australian technical colleges provide opportunities for young people in regions throughout Australia to commence a trade qualification whilst completing their senior secondary studies. Australian technical colleges will ensure that, over the longer term, Australian business will have access to a supply of highly qualified workers who will be trained according to local industry requirements.

This bill will increase the total funding for the Australian technical colleges initiative from the original \$343.6 million to \$456.2 million, or an increase of \$112.6 million over the period from 2006 to 2009.

The additional funding will provide a capacity for ATCs to provide high levels of support to both students and the employers who engage students as Australian school based apprentices.

The additional funding will also address a range of other factors.

Strong industry and community support for the ATC program has meant more colleges than originally anticipated opening by 2007. This has resulted in additional costs over the five-year period.

A key feature of the ATC program is flexibility, and each college has been encouraged to pursue a model that best meets the needs of the region in which it is established. This flexibility has resulted in the operational costs necessary to get each college up and running being far higher than was originally expected. These costs vary from college to college because the secret of the success of this program is listening to the regions and making sure that, if they have a different operational model, we can back that. So every operational model is different.

Of the 24 announced ATCs, the business led boards of these colleges have recommended in more cases than originally anticipated that a newly established school will be

the most effective delivery model to meet their particular region's needs. This has had a significant impact on the cost of the program through increased operational costs.

Several colleges have also identified the need for multiple campuses to ensure appropriate coverage of the region. The member for Paterson is here. He has championed the cause. A good example of this is the Hunter ATC, which has college campuses in Newcastle, Maitland and Singleton. We are doing more than ever originally planned for in the program, and we now have the funding to make sure that we can back those regions all the way.

Mr Baldwin—Very good.

Mr HARDGRAVE—Thank you. The ATCs need to ensure students are trained using the latest tools and equipment with a focus on enterprise, employability, business and information technology skills to ensure they are as work ready as possible. While all ATCs have been encouraged to work closely with existing training providers, including state government owned TAFEs, to utilise existing infrastructure in their region, the ATCs have in many cases been required to contribute funding for this infrastructure to be refurbished or upgraded.

Passage of this bill will ensure the steady progression of the Australian technical colleges initiative will continue and enable 7,500 young Australians per year to undertake high-quality education and training relevant to a trade career.

The Australian government is committed to raising the profile of these nation builders—of vocational and technical education. Attracting young people to the trades is vital for Australia's future success and is an important step in addressing the skills shortages that we are experiencing across a number of industries and regions at this time.

The Australian technical colleges initiative offers a new approach to achieving this and forms an important part of the Australian government's strategy for tackling skill shortages now and into the future.

The Australian technical colleges will promote trade qualifications as a highly valued alternative to a university degree and will develop a reputation that will show students and parents that vocational education and training provides access to careers that are secure, lucrative and very rewarding.

The Australian technical colleges initiative is just one of a range of vocational and technical education initiatives that the Australian government has been delivering during its entire time in office but is particularly delivering during 2006-09.

In fact, the Australian government's investment over this forward years period of 2006-09 will total more than \$11.3 billion. This is the biggest commitment to vocational and technical education by any government in Australia's history.

I have a great deal of pleasure in commending this bill to the House.

Debate (on motion by **Mr Laurie Ferguson**) adjourned.

**TAX LAWS AMENDMENT (2006
MEASURES No. 7) BILL 2006**

First Reading

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

Bill read a first time.

Second Reading

Mr DUTTON (Dickson—Minister for Revenue and Assistant Treasurer) (10.22 am)—I move:

That this bill be now read a second time.

This bill implements a number of changes and improvements to Australia's taxation system.

Schedule 1 to the bill amends the capital gains tax concessions for small business. It will increase the availability of these capital gains tax concessions and reduce the compliance costs of small business.

The amendments will improve the operation of the small business capital gains tax concessions by making changes to the maximum net asset value test, the 15-year exemption, the retirement exemption, the small business rollover and how the concessions apply to partnerships and deceased estates.

The amendments also replace the controlling individual 50 per cent test with a significant individual 20 per cent test that can be satisfied either directly or indirectly through one or more interposed entities. The significant individual 20 per cent test enables up to eight taxpayers to benefit from the full range of concessions instead of the current limit of two controlling individuals or one controlling individual and their spouse.

Schedule 2 more closely specifies the types of financial instruments that will be eligible for interest withholding tax exemption, provided the public offer requirement and certain other conditions are met.

These amendments are not intended to upset the long held and accepted market views as to what constitutes a debenture.

They will ensure the government's policy intent is met when providing interest withholding tax exemptions. The policy intent is, provided certain conditions are met, to ensure Australian business does not face a greater cost of capital as a consequence of the imposition of interest withholding tax.

Schedule 3 gives effect to the government's announcement in the 2006-07 budget that it will enhance philanthropy by streamlining the deductible gift recipients, or DGR, integrity arrangements and reduce compliance requirements of DGRs. This is

achieved through removing the gift fund requirement for certain DGRs and allowing the consolidation of multiple gift funds for others, while making it a requirement for all DGRs to maintain adequate records to show the deductible public donations they receive and their use.

The amendments also align the integrity arrangements across all DGRs by allowing the Commissioner of Taxation to review whether an entity listed in the law continues to be eligible to receive deductible gifts, in the same way that the commissioner can review the eligibility of those entities that require the commissioner's endorsement.

Schedule 4 of this bill amends the list of deductible gift recipients in the Income Tax Assessment Act 1997 by extending the time period for which four entities can receive tax deductible donations. Extending the deductible gift recipient status will assist the listed organisations to attract public support for their activities.

Schedule 5 of this bill preserves the current effective life depreciation arrangement that applies to tractors and harvesters used in the primary production sector. The measure will provide certainty to farmers in this time of drought.

Schedule 6 will amend the Farm Management Deposits scheme to increase the non-primary production income threshold from \$50,000 to \$65,000 and the total deposit limit from \$300,000 to \$400,000. Increasing these thresholds will assist primary producers to cope with the ongoing drought.

Schedule 7 aims to ensure that equivalent taxation treatment is given to capital protection on a capital protected borrowing, whether the capital protection is provided explicitly—for example, by way of an actual put option—or implicitly through the terms of the arrangement.

This measure will provide legislative certainty to the tax treatment of capital protected borrowings. From 1 July 2007, where the capital protected borrowing is on capital account, the measure will deny deductibility to interest expense to the extent that the interest rate exceeds the Reserve Bank's indicator variable interest rate for personal unsecured loans. The excess will be treated as the cost of the capital protection feature.

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

I commend the bill to the House.

Debate (on motion by **Mr Laurie Ferguson**) adjourned.

TAX LAWS AMENDMENT (2006 MEASURES No. 4) BILL 2006

Consideration of Senate Message

Bill returned from the Senate with amendments.

Ordered that the amendments be considered immediately.

Senate's amendments—

- (1) Schedule 4, item 2, page 17 (line 30) to page 18 (line 7), omit subsection (3), substitute:
 - (3) The first element of the *cost base and *reduced cost base of a *CGT asset on 10 May 2005 is the *market value of the asset on that day if, on that day:
 - (a) the CGT asset was a *membership interest you held in another entity; and
 - (b) you were a foreign resident, or the trustee of a trust that was not a *resident trust for CGT purposes; and
 - (c) the CGT asset was a *post-CGT asset; and
 - (d) the CGT asset did not have the necessary connection with Australia (within the meaning of this Act as in force on that day) disregarding the operation of paragraph (b) of item 5

and paragraph (b) of item 6 of the table in section 136-25 (as in force on that day).

- (2) Schedule 4, item 38A, page 33 (after line 1, cell at table item 28, 2nd column), omit the cell, substitute:

On 10 May 2005, a foreign resident holds certain membership interests

Mr DUTTON (Dickson—Minister for Revenue and Assistant Treasurer) (10.28 am)—I move:

That the amendments be agreed to.

The amendments provide for a cost base of market value for certain assets that would not have been subject to Australia's CGT regime prior to this measure being introduced. This will ensure that all such assets held by foreign residents on the date of announcement of the measure, 10 May 2005, and which subsequently become subject to Australia's CGT regime receive a cost base of market value as at that date. I can inform the House that the amendment has no financial impact.

Mr FITZGIBBON (Hunter) (10.29 am)—For the benefit of the House, what we are debating today in the Tax Laws Amendment (2006 Measures No. 4) Bill 2006 is the proposal to exempt foreign residents from capital gains tax on all gains other than real property gains. This is not without controversy. The minister has pointed out that the amendment from the Senate effectively puts in a 'reset the clock' provision on the treatment of interposed entities, tidying up that area of the tax law. Labor have indicated that we will be supporting the bill, including the Senate amendment. We do so not out of any joy and are not particularly happy about the government's approach to this bill. We are unhappy that the government still refuses to provide disaggregation of the costs of the bill. Over a four-year period the cost is something like \$300 million, a not insubstantial amount of money. The bill contains two

provisions: one is effectively a spending measure and one is a savings measure. The costs have been aggregated. On that basis, therefore, we do not know the exact cost of the capital gains tax exemption being extended to foreign residents. We maintain that it is appropriate for parliament to have that cost disaggregation so that the parliament has a full understanding of exactly the cost of extending this exemption to foreign residents. The government has indicated that it does have those costings—that is, the disaggregated costs—but it refuses to provide them to the House and to the Senate. I make another appeal to the minister to do so in the course of this debate.

Already, various experts are challenging the \$300 million costings on the basis of the aggregated cost. They are just making an assumption about what the disaggregation may be. I have seen various figures bandied around, but some of them go well and truly beyond \$300 million. Labor accepts that this is part of the government's overall march towards the OECD Model Tax Convention on Income and on Capital. On that basis, having consulted various tax experts and business representatives, we are reluctant to oppose the bill. This would not be Labor's priority in government.

The Treasurer has already indicated to the community generally that there will not be any room in next year's budget for tax cuts for individuals. In various ways he has also indicated that he does not have in his mind any more generous tax arrangements for the country's small businesses. Yet he can find \$300 million or thereabouts—we do not know exactly how much it is because we cannot get the disaggregated costings—for extending a tax break to foreign residents which will not be available to Australian investors.

Having consulted the business community generally and having consulted tax experts, securing their view about the way in which this makes a contribution to aligning Australia with the OECD model tax convention, we will not be opposing the bill, but we want to state again that this would not have been a priority for a Labor government. I make another appeal to the minister to provide the parliament with those disaggregated costings.

Question agreed to.

COMMITTEES

Public Works Committee

Approval of Work

Ms GAMBARO (Petrie—Parliamentary Secretary (Foreign Affairs)) (10.33 am)—I move:

That, in accordance with the provisions of the Public Works Committee Act 1969, and by reason of the urgent nature of the work, it is expedient that the following proposed work be carried out without having been referred to the Parliamentary Standing Committee on Public Works: Security upgrade and refurbishment of the Australian Chancery in Kuala Lumpur, Malaysia.

The Department of Foreign Affairs and Trade proposes to undertake urgent security and refurbishment works, at an estimated cost of \$27.7 million, at the Australian High Commission in Kuala Lumpur, Malaysia.

The works are part of a program of priority security enhancements and chancery relocations currently being carried out by the government across a range of posts, to ensure the safety of staff and visitors.

The security works on the chancery will be substantial and intrusive. The chancery is 28 years old and there will be operational efficiencies and savings if a mid-life base building refurbishment is integrated with the security works.

The government has carefully considered the nature of the security works proposed

and has decided that the project is urgent and should not be delayed by referral to the Public Works Committee.

A proposal to proceed with a construction project without referral to the Public Works Committee is not common. The government very much supports the work of the Public Works Committee and has not taken this decision lightly. However, design work has been completed and it is important that the works should go to tender without delay.

Subject to parliamentary approval, works will commence on site in December this year with completion by April 2008.

I commend the motion to the House.

Question agreed to.

Public Works Committee

Approval of Work

Ms GAMBARO (Petrie—Parliamentary Secretary (Foreign Affairs)) (10.36 am)—I move:

That, in accordance with the provisions of the Public Works Committee Act 1969, it is expedient to carry out the following proposed work which was referred to the Parliamentary Standing Committee on Public Works and on which the committee has duly reported to Parliament: Extension and accommodation upgrade to the existing Chancery of the Australian Embassy in Beijing, China.

The Department of Foreign Affairs and Trade proposes to construct an extension to the Australian Chancery in Beijing, China, and to upgrade chancery accommodation and services at an estimated cost of \$21.61 million.

The Australian government has occupied the existing chancery since 1992. As a result of significantly increased representation by the Australian government in China, the chancery no longer meets present-day requirements including space availability, efficiency, and building and workplace codes.

This proposal meets the government's preference to provide a consolidated and secure facility for all Australian government agencies represented in Beijing.

The Australian government owns the chancery in Beijing located on property that is leased under a reciprocal arrangement with the Chinese government.

The newly upgraded chancery will fully provide for the embassy's functional and security requirements into the future.

In its report, the Public Works Committee has recommended that this work should proceed subject to the recommendations of the committee.

The Department of Foreign Affairs and Trade accepts and will implement those recommendations.

Subject to parliamentary approval, construction will begin in September 2008 with practical completion and occupation scheduled for October 2010.

On behalf of the government, I would like to thank the committee for its support and I commend the motion to the House.

Question agreed to.

Public Works Committee

Reference

Ms GAMBARO (Petrie—Parliamentary Secretary (Foreign Affairs)) (10.37 am)—I move:

That, in accordance with the provisions of the Public Works Committee Act 1969, the following proposed work be referred to the Parliamentary Standing Committee on Public Works for consideration and report: National Towers Program Stage 1 for Airservices Australia at Adelaide, Canberra, Melbourne and Rockhampton airports.

Air Services Australia proposes to undertake a continuous improvement program to replace or refurbish the Airservices Australia air traffic control tower inventory. Airservices Australia operates 26 air traffic control

towers throughout Australia and, as the age of the towers increases, the ability to cost-effectively maintain the facilities and to maintain and upgrade equipment diminishes. The control towers range in age from 10 years to around 50 years with an average age in excess of 30 years.

The objective of stage 1 of the National Towers Program is to replace the existing control towers at Adelaide, Canberra, Melbourne and Rockhampton airports. The estimated out-turned cost of the proposal is \$94.5 million. Subject to parliamentary approval, it is anticipated that a design and construct contractor will be appointed by the end of 2007 with construction completed some 20 months later. This will, however, be subject to the responses received when the market is approached. I commend the motion to the House.

Question agreed to.

Public Works Committee

Reference

Ms GAMBARO (Petrie—Parliamentary Secretary (Foreign Affairs)) (10.39 am)—I move:

That, in accordance with the provisions of the Public Works Committee Act 1969, the following proposed work be referred to the Parliamentary Standing Committee on Public Works for consideration and report: Defence Force School of Signals redevelopment, Simpson Barracks, Watsonia, Victoria.

The Department of Defence proposes the redevelopment of the Defence Force School of Signals at Simpson Barracks, Watsonia, Victoria. The objective of the proposal is to address current facility shortfalls required to deliver communications and information systems training to Defence personnel. The proposed facilities and infrastructure works involve a mixture of new facilities and adaptation and refurbishment of existing facilities. The estimated out-turned cost of the

proposal is \$101.3 million. Subject to parliamentary approval, construction could commence in early 2008 with completion by late 2009. I commend the motion to the House.

Question agreed to.

Procedure Committee

Reports

Mrs MAY (McPherson) (10.41 am)—On behalf of the House of Representatives Standing Committee on Procedure I present the following reports, together with the minutes of proceedings: *Encouraging an interactive chamber* and *Motion to suspend standing orders and condemn a member: report on events of 10 October 2006*.

Ordered that the reports be made parliamentary papers.

Mrs MAY—by leave—I am pleased to present these two reports today on behalf of the Procedure Committee. I am conscious that time is limited this morning so I will keep my remarks brief.

The first report, *Encouraging an interactive chamber*, looks at how we might improve debate in the House. I am sure all members at some time have heard the negative comments about so few members being present for debates—that we deliver set pieces to an almost empty chamber and do not engage one another in true debate. How we might encourage greater interactivity was one of the areas we examined during our study visit to a number of overseas parliaments earlier this year. A range of suggestions arose from that visit and from the submission by the Clerk to this inquiry. Suggestions included cutting the overall speaking time available for members, making it necessary for members to be in the chamber for the whole debate if they wish to speak—rather than arriving just in time—and leaving the call at the full discretion of the chair. Members will be relieved to hear today that

we have not taken up those particular suggestions.

However, the committee has recommended the expansion of the intervention process that has been operating successfully in the Main Committee for several years, by allowing its use in the chamber itself. As a starting point, we have recommended that, on speeches on the second reading of bills, interventions be able to be made after the first 15 minutes of a member's speech—in other words, in the final five minutes. Members would be able to opt out, just as they currently do in the Main Committee. Interventions should be brief and directly relevant to the speech on the second reading. Members using the intervention procedure to be disruptive would be dealt with by the chair. As in the Main Committee, interventions will not apply to the second reading speech of the mover of the motion or to the lead opposition speaker. We hope this will encourage members to come and listen to other speakers and to challenge and engage them on the content of their remarks. I would urge all members to support this proposal and participate in a trial of the procedure that we have recommended take place next year.

The second report reviews events in the chamber on 10 October when a motion was moved to suspend standing and sessional orders. This motion also expressed condemnation of a member. The committee has examined the events of that day, and subsequent debate, and focused on a number of issues. Was this combined motion setting a new precedent, as some claimed, or was it merely a continuation of existing practice? The committee considered the arguments in support of the combined motion and those arguments against in some detail, looking at the time available for debate compared to censure motions, the nature of the debate and the role of the Speaker.

When dealing with something as serious as the House being asked to judge the behaviour of a member, the committee has concluded that separate motions should be moved. That is, there should be a separate procedural motion moved to suspend standing orders and then, secondly, a motion moved that would allow the House to comment on the behaviour of a member.

The arguments are quite technical. But there is one underlying principle that I feel sure all members would support—that is, criticism, condemnation or censure of a member should only be made by way of a separate, distinct, substantive motion on which all members can vote. It is not good practice, the committee believes, to combine such motions with the procedural steps that allow the substantive motion to be moved. Accordingly, the committee has recommended an amendment to the standing orders to clarify the point.

I commend both reports to this House and place on record my thanks to all the members of the Procedure Committee—there are a couple in the chamber today. I thank the deputy chair of the committee, the member for Banks, for all his support. I thank the committee for all its support and commend committee members for their continued commitment to the committee itself and for all their hard work. We have tabled some outstanding reports this year. As well as putting on record my thanks to all the committee members, I thank the secretariat for the work they have done with us.

Mr MELHAM (Banks) (10.46 am)—by leave—I welcome the opportunity to make some comments about the reports by the Procedure Committee tabled today, and I endorse the remarks by the chair of the committee on the reports and also in regard to the secretariat. The secretariat do not often get the credit they deserve. The quality and

nature of these reports would not be possible without the energy and the professionalism they give to their work, and the parliament owes them a debt of gratitude.

The report on the motion to suspend standing orders and condemn a member analyses the event of 10 October this year, when a minister moved a motion with the dual purpose of suspending orders and condemning a member of the opposition. While it is true that suspension motions relating to procedural and machinery matters often incorporate the purpose of the motion, the committee believe that this was not the appropriate way to go about criticising the conduct of a member of parliament, and we have recommended changes to the standing orders which would ensure that this will not happen again.

The report titled *Encouraging an interactive chamber* looks at the way second reading debates are conducted in this place, in an attempt to enliven the atmosphere and promote a greater level of interaction between members. This report refers to a previous report of the committee titled *Arrangements for second reading speeches*, in which the committee endorsed a proposal by the then Speaker, the Hon. Neil Andrew, MP. Speaker Andrew proposed that second reading speeches be shortened to 15 minutes, with the five minutes thus saved to be available for a question and answer period.

The recommendations of that report were not agreed to by the government at that time, and on this occasion the committee has recommended the trial of a different set of arrangements for speeches on the second reading whereby speeches remain at 20 minutes in length but interventions are permitted after the first 15 minutes. The practice of interventions has proved successful in the Main Committee and, as a result, the committee believes that it would be worthwhile to trial

the interventions procedure in a modified form in an attempt to improve interactivity during debates in the chamber. This proposal would allow members 15 minutes free of interruptions, with the possibility of being asked questions related to their speech during the final five minutes of their speaking time. These trial arrangements would not apply to the speeches of the mover of the second reading motion or the lead speaker in response.

The rules for interventions in the chamber would be essentially the same as in the Main Committee. Members can choose whether or not to accept an intervention, interventions must be brief and directly relevant to the speech on the second reading, and the Speaker will have the discretion to rule out of order any intervention that abuses the processes.

I think this is a much better recommendation than the early recommendation because no member is penalised in relation to what they elect to do—whether they elect to take interventions or not take interventions in that 20-minute period. So the discretion is there to take the intervention or not take it; whereas the earlier recommendation really was a substantial change to the existing time for backbenchers in relation to second reading speeches. So I think we have come up with a much better suggestion to the parliament.

If these arrangements are trialled as recommended from the start of the sittings in 2007, I would encourage members to take the opportunity to ask questions during second reading debates and contribute to enhancing the atmosphere of debates in this place. I saw it working in the House of Commons and it was terrific. I commend both reports to the House.

Mrs MAY (McPherson) (10.50 am)—by leave—I move:

That the House take note of each of the reports.

Question agreed to.

Debate adjourned.

Treaties Committee Report

Dr SOUTHCOTT (Boothby) (10.50 am)—On behalf of the Joint Standing Committee on Treaties I present the committee's report entitled Report 82: *Treaty tabled on 28 November 2006*.

Ordered that the report be made a parliamentary paper

Dr SOUTHCOTT—by leave—Report 82 contains the recommendation by the committee that binding treaty action be taken in relation to the Agreement between the Government of Australia and the Government of the Kingdom of Cambodia concerning Transfer of Sentenced Persons signed in Canberra on 11 October 2006. The committee has taken the slightly unusual step of tabling this short report to allow the other domestic requirements for the agreement's entry into force to be completed as quickly as possible. The committee intends to table a full report at a later date. There are five Australians currently in prison in Cambodia, including one who is 18 years old. The committee thought it was important to ensure that any Australians who could access the provisions of the agreement once it has entered into force would have the opportunity to do so as soon as possible.

The committee encourages the government to implement the agreement in Australia's domestic law as quickly as possible. The committee also hopes that the Cambodian government will move quickly on its domestic requirements for the entry into force of this agreement. The committee also thanks representatives from the Attorney-General's Department and the Department of Foreign

Affairs and Trade for being available for a public hearing at short notice. The public hearing was held on Tuesday evening and we are now tabling the report on Thursday morning. I commend the report to the House.

Mr WILKIE (Swan) (10.52 am)—by leave—The Joint Standing Committee on Treaties Report 82: *Treaty tabled on 28 November 2006* recommends that binding treaty action be taken in relation to the agreement between the governments of Australia and the Kingdom of Cambodia concerning the transfer of sentenced persons.

The committee has tabled its recommendation in relation to this agreement with deliberate speed to ensure that it does not delay the other domestic requirements for the agreement's entry into force. Ordinarily, the committee would not be required to table its report until 20 March 2007. By tabling before the summer break and well before the 15-day sitting period has expired, the committee is providing the government with an opportunity to complete the other domestic requirements for implementation much earlier than would normally be the case.

The committee encourages the government to act quickly to implement the agreement. It serves an important function in that it allows Australian nationals serving prison sentences in Cambodia to serve the remainder of their sentences in Australia. There are currently five Australians in Cambodian prisons. If any of these five Australians wants to take advantage of the terms of the treaty and request a transfer back to Australia then it is important that the treaty enter into force as quickly as possible. The committee has done its best to ensure that this can happen.

One of those Australians, Gordon Vuong, was only 16 when he was arrested and sentenced to a 13-year jail term. Bringing prisoners like Gordon home to serve the rest of

their sentences in Australia offers a greater opportunity for family support, education, training and ultimately rehabilitation. The sooner the agreement is confirmed, the better.

I visited a Cambodian jail some years ago as part of a parliamentary delegation and, knowing the conditions there and having been a prison officer myself in a past life, I believe there is great merit in bringing Australians sentenced to jail in Cambodia back to Australia, where there are greater opportunities for rehabilitation. Because Australia may no longer have to pay for the incarceration of 13 prisoners under the agreement, transferring Cambodian prisoners in Australia back to Cambodia will also benefit Australia. I commend the report to the House.

I would like to thank the committee secretariat for their advice on this matter. We were going to defer it until next year but, with the agreement of the chair of the committee, we decided that we would try and get it through this year. I thank the House for giving the committee time to present the report today; it is much appreciated. I would also like to thank the secretariat for their work throughout the year. They have done an outstanding job on treaties. The committee has worked very hard, as has its chairman. I congratulate the honourable member for Boothby for his work. I wish all those members on the committee and the secretariat all the best for Christmas and the New Year.

AIRSPACE BILL 2006

Cognate bill:

AIRSPACE (CONSEQUENTIALS AND OTHER MEASURES) BILL 2006

Second Reading

Debate resumed from 29 November, on motion by **Mrs De-Anne Kelly**:

That this bill be now read a second time.

Mr RIPOLL (Oxley) (10.56 am)—I rise to speak on the Airspace Bill 2006 and the Airspace (Consequential and Other Measures) Bill 2006. The primary focus of the bills is to transfer the function of airspace regulation from Airservices Australia to the Civil Aviation Safety Authority, CASA. The Labor Party support this in principle, and so we will be supporting these bills.

The Airspace Bill 2006 will ultimately address the perception that a conflict of interest exists between the roles of Airservices as both a commercial air navigation service provider and the regulator of the level of service to be provided. This change is acceptable in terms of our support. The bill will then require the minister to make an Australian airspace policy statement on the administration and regulation of, and policy objectives for, Australian administered airspace. Labor welcome this as it has been one of the key areas in which problems have arisen. It will mean that, for the first time, the minister will have to do something about this public policy area, which will involve CASA. He will have to look at a number of issues that have arisen out of the roles that Airservices Australia and CASA play. Unfortunately, since the minister was appointed, he has shied away from these issues.

There are a number of very serious problems lying within the confines of CASA and its role that need to be resolved. I think we would acknowledge that these problems are very serious and ought to be attended to and that they cannot be solved by the minister or through his office alone. The Labor Party have outlined on a number of occasions in the Senate and in this place our belief that these problems are of such a serious nature that they ought to be considered by a Senate committee. We ought to have appropriate powers to do a proper and thorough investigation.

Labor have been seeking a full inquiry into the Civil Aviation Safety Authority. This position, which we believe is a reasonable one, has been on the record for a long time. Why do we want an inquiry? Because we have very serious and grave concerns about CASA's performance and the fact that Australians are slowly losing faith in Australia's aviation safety regime. This simply translates into people losing confidence in flying. That is unacceptable. I have spoken before in this House about the perception and the reality of air safety in Australia and about how it ought to be treated with the utmost importance. It should be front of mind in the minister's actions and statements and in the conduct of the regulators responsible for this area.

There has also been a lot of public concern about why these issues have not been examined in detail by a parliamentary committee. The reason may appear simple on the surface, but the government has a majority in both houses and has the power and capacity to deal with this if it wants to. The government could come into this place today and set up a full inquiry to deal with some very serious issues of safety in Australia. It would be very welcome, but the government refuses to do that.

People might make value judgements about why the government refuses to acknowledge these problems and to act on them. Labor proposes that when this bill is considered in the Senate it should be referred to a committee. Such a committee should look at not just the Lockhart River tragedy but also the performance of CASA. The government's ability to block such a move by using its Senate majority is wrong. The government should not block such an inquiry; it should move on and allow it to happen.

The Lockhart disaster could have been avoided but for CASA's incompetence, and a number of issues are outstanding. If people

disagree with that statement, there is an opportunity for an inquiry and we can find out whether that statement is right or wrong. There is the challenge for government: if the government believes that the statement I have just made is not true, it should set up a full inquiry. Let us find out whether or not it is right. People need to know whether CASA's incompetence needs to be rectified to avoid any other tragedies in our skies in the future.

People need to feel confident that all that can be done is being done and that any actions or inactions of CASA will not be repeated in the future. To give some historical background, it was back in 2001 that CASA first knew about the ongoing compliance and structural problems of Transair but still did nothing about them. They were informed. CASA is supposed to be our safety regulator, an organisation entrusted with the safety of the flying public. Australia's safety record is very good; I believe it is second to none. However, that is not to say that we cannot ever improve. Measures need to be taken to prevent such tragedies from happening because of the same structural regulatory problems. I think there is more that can be done.

Four years later, in May 2005, a Transair aircraft was involved in the tragic Lockhart River crash, in which 15 people were killed. This crash had many implications, not just for the ongoing conduct of CASA but also for the devastated families affected by this disaster. These families are still seeking answers as to why this happened in the first place. There is a perception amongst the families that this government is not interested in putting into place a full inquiry, which would give them confidence and a better understanding of what happened. It is beyond comprehension that this government could not understand the grief of the families and what they are going through. Its failure to understand the concerns of the flying pub-

lic and to set up a full investigation, giving the power to the parliament to take on that investigation, is simply wrong.

These people feel they have been betrayed by the government, which has refused to do the decent thing about this very serious matter. The issue should be referred to a committee to be dealt with fully. I would like the members of the government to sit and think for a moment about what Shane Urquhart, the father of Sally Urquhart, one of the victims of this tragedy, had to say about this issue. Mr Urquhart told AAP that a decision to block this inquiry would 'show the government has no compassion and no concern for its citizens getting justice, and lacks the guts to question anything CASA does'.

Questions about CASA and air safety are long running. The issues have been biting at the government for some time. For the life of me, I cannot understand why this government refuses to go down the obvious path—refuses to take action. I am not accusing the government of anything specific, but questions are raised in your own mind when you see that an obvious course of action needs to be taken and the government refuses to take it even though it has the power to do so. When you do not get sufficient answers from ministers or people responsible, you do start to question what it is that the government does not want to find out. Why is this government refusing to have a full inquiry? What is it that it does not want to know? Perhaps it is something it already knows. I do not know what that is, and I am not claiming to have some sort of great knowledge of what that might be, although I have some ideas. However, I wonder what it is that the government may already know but does not want recorded or fully investigated. That is the only possible, logical conclusion that members of this place, the public and the families affected by that tragedy can make.

This government has the power to do the right thing—to ensure that the Lockhart River tragedy does not happen again, that the problems are rectified. Until there is a full inquiry—until this place takes on its responsibility—and until the minister does what the minister is charged to do, many people will be left very unsatisfied.

There are no hidden agendas here. The families who have been torn apart are not seeking retribution or revenge; they are seeking closure. They are seeking some finalisation of this. They want to know what happened. They want to know why it happened. They want to know how it happened. They want to know that it will not happen to anybody else. That is what the families want to know. They want closure. That is an acceptable thing to demand of a government.

We want to see the same thing. We want to know what is going on. We want to know what is wrong with CASA. Why isn't a full investigation being carried out? Those are the questions I have. I am sure the minister has a view; I would be happy to hear those views, and maybe a further explanation as to why the minister is not doing anything in this area worth talking about. We need to get the full details of the Lockhart River tragedy. I think the only way we can do that is through a full inquiry—and, most importantly, before we move ahead with this bill to have the functions and role of the airspace regulator handed over to CASA. We need to have a proper path to understand the roles and responsibilities of both these organisations and to ensure that there will be a renewed confidence in the roles of both Airservices Australia and CASA, so that we know we are safe in the skies, that the regulations in place are sound and that this government has done everything it possibly can, has not left any stone unturned and will not turn a blind eye to that tragedy or to anything that might happen in the future. We support the bill in prin-

ciple, but we have grave concerns about any actions of CASA in relation to air safety, and most particularly we have concerns about the actions of this government in its refusal to have a full inquiry.

Mr FAWCETT (Wakefield) (11.08 am)—I rise to speak to the Airspace (Consequential and Other Measures) Bill 2006, which contains a number of amendments to the Civil Aviation Act 1988, consequent to the Airspace Bill 2006. This bill amends the act to make sure that airspace regulation is clear and a separate function for the Civil Aviation Safety Authority and that CASA acts consistently with the Australian Airspace Policy Statement, described in the Airspace Bill 2006. The bill also makes a number of technical amendments to the Air Services Act 1995 and the Civil Aviation Act 1988 to accommodate amendments made to the functions of Airservices Australia by the Civil Aviation Legislation Amendment Act 2003.

I would like to talk about some of the context of the bill, because aviation has been a vital and integral part of life in Australia since aviation started, from World War I and post that, to the development of mail services and Qantas and other names that we all know, such as the Flying Doctor Service. It remains an important part of the way we do business. Australia has been a world leader in aviation both technically and administratively over a number of years. Currently we manage and provide air traffic services to some 11 per cent of the earth's surface, which, given our population, is a huge amount of airspace to look after.

In recent years there has been much contention about airspace, particularly since 2002, when the government instituted a process to look at the National Airspace System, which was designed to align Australia's airspace classification system with that of the internationally recognised system of the In-

ternational Civil Aviation Organisation, ICAO. A number of characteristics of NAS have been implemented: stage 1 and stages 2a, 2b and 2c, and an additional June 2005 stage. These include a number of things that affect different categories of aircraft: VFR, IFR, IFR et cetera.

Ongoing change will be a feature of airspace management. In 2003 ICAO released a further document with a global air traffic management operational concept. They are looking to the future to see how we can better align and integrate airspace systems from a world perspective. A large driver of this is technology, particularly as we move from ground based systems, some of which had their origins in Australia but many of which date back some 50 years to space based systems, which increase accuracy as well as capacity. I talk of things such as the automatic dependent surveillance broadcast, ADS-B, system that has been in use in various parts of the world for a while now, but recently it has become a serious option for widespread use as a surveillance and traffic management tool.

Given these developments in technology overseas, it is appropriate that Australia has an ongoing process of reviewing and managing its airspace. Having been involved in the consultations post the 2002 decision, from the operational side, I am pleased to see that the government has been consulting closely with industry on airspace and that it has heard the clear message that industry has been sending: that there are very clear supporters for, and very clear detractors of, the National Airspace System. The government has chosen to continue with reform but has made sure that we have a robust method of consultation in place. I believe that is very important because the last thing we need in Australia is ongoing division and the distraction from the prime consideration of having a safe and effective airspace management sys-

tem. Things like the date of 25 November 2004 just caused huge ructions in the aerospace industry, with people either pro or against going ahead with airspace changes on that date.

The consultations are important because there is a wide range of users in Australia, from the home-built and sport and recreational type categories through to warbirds and general aviation, which for many years has been the bedrock of aviation in Australia and remains one of the prime means of both doing business and having personal transport for people in rural and remote areas. There are also the charter and training type operations, the corporate and regular public transport and, importantly, Defence—not only the operational side of Defence but the training and the test and evaluation side, which does not get a lot of airplay in public but is of significant impact on airspace use in Australia. Other stakeholders are ICAO, obviously, and overseas users. From a systems perspective, we need to understand that airspace does not work in isolation and that we need to consider what other things are in place to support the rules and procedures that we put in place.

I hark back to my own experience of flying in the UK, where radar coverage was essentially universal—even at very low levels—across the country. That provides for a very different airspace environment in terms of what is possible compared to what we have in Australia, where we do not have that same kind of coverage. So the discussion of airspace alone is not sufficient. We need to consider who the users are, what outcomes they require and the other enabling elements that actually make the system as a whole safe and effective. I use the word 'effective' deliberately there. 'Efficient' is often the word that is used, but efficiency sometimes is to the detriment of safety and effectiveness. I believe that safety and effectiveness have to

be the two elements that underpin any move in or development of our airspace system here in Australia.

As I said, Australia has been an early adapter of technology and innovation and whilst it is important that we look to align with ICAO, alignment does not imply a direct replica. It does not mean that we will look exactly the same as any other system in the world. We can still align whilst allowing for unique operational considerations in Australia and also allow the space for people to be innovative in the use and take-up of technology. That means that the consultation process needs to be open and accountable. Many of the critics of the developments since 2002 point to the fact that, at some of the consultations, people spoke but there was a question as to whether those various groups were heard. The saying about babies and bathwater is often applied to some of the decisions that appeared to have been taken at the end of some of those consultation processes.

I believe it is important that future consultations involve the stakeholders at an operational level and not be satisfied to just look at the executive summary, if I can use that example. For example, the NAS has been described as very effective in the United States and the military there think it is fine; therefore it reads across that the military here should be happy with it. Having worked with the US military in the aviation sector, I am aware that there are many elements of the NAS that they consistently look for workarounds for because they find it does not actually suit their purposes, but they cannot change it and so they find these workarounds. It is important that the consultation process does go below the executive summary level and actually finds out what the operators from each of the various stakeholder groups need so that they can have outcomes that are both safe and effective for

their operations. What I am really looking for is a balance in that consultation process so that the realities of the operational environment are captured in our regulation.

Another example where the concept is good but the reality is different is in the United Kingdom where CAP 723, issued by their Civil Aviation Authority in collaboration with the Ministry of Defence, defines something called purple airspace which is airspace that is declared for royal and VIP flights. It is fantastic if you are flying there in a military environment. They will advise you when a purple airspace corridor is declared and you adjust your flying program for the day accordingly to make sure there is an adequate protective bubble for those VIP or royal aircraft. Where that falls down is that whilst you are evacuating that piece of airspace, a civilian VFR aircraft could blunder straight on through and could even format off one of the royal helicopters if it wanted to. The safety outcome intended is not delivered because of the realities on the ground of how people operate. I think it is important that when we put together a system here we align it with ICAO and make sure that we are compatible, but also that we take account of the operational realities for aviation operations in Australia. I am thinking particularly here of taking account of how people operate outside controlled airspace in rural and remote areas.

In conclusion, I am happy to support this bill. I think the Civil Aviation Safety Authority is the appropriate agency because I believe airspace, at the end of the day, is about safe and effective operations. I believe that the transfer from Airservices Australia to CASA, with that reporting direct to the minister, is appropriate. What we are talking about here is a system that will use an Australian risk management framework and give some certainty to industry and because CASA has a regulatory function, rather than

a corporate function, I believe that in terms of governance it is a better place for that. The Office of Airspace Regulation will have decision-making powers for regulating airspace around Australia and I believe that CASA is the appropriate place to have that oversight. I support the bill.

Mr MARTIN FERGUSON (Batman) (11.20 am)—I welcome the opportunity to make a few comments this morning on the Airspace Bill 2006 and the Airspace (Consequential and Other Measures) Bill 2006. As the shadow parliamentary secretary for transport, the member for Oxley, has stated, the opposition supports the bill as it provides for the transfer of airspace regulation and administration from Airservices Australia to the Civil Aviation Safety Authority, which is an appropriate policy decision. The bill also requires the relevant minister to outline an Australian airspace policy statement which should provide certainty for industry, particularly in view of significant changes to technology currently being instituted within Australia and across the globe. This statement will require major changes to Australian airspace to be subject to risk analysis, detailed examination of the potential costs and benefits, and stakeholder consultation.

This is a pertinent issue to debate here in the parliament today, as the residents of Canberra are currently debating the issue of noise sharing resulting from potential airspace use over the city. I intend to make some comments on this very serious issue as part of this debate on airspace. It is also an issue highly relevant to my portfolio as the shadow minister for tourism and also a former shadow minister for transport, infrastructure and regional development. If anything, I have been part of this ongoing debate about the future operation of Canberra airport for some time.

No resident of Canberra could not have noticed Canberra International Airport's current multimedia campaign to raise awareness of the potential adverse impact of aircraft noise on community health and lifestyle and house and land values. This is a current debate which the New South Wales government has to resolve in a proper, constructive and transparent way. This campaign has been launched by the airport in response to a proposal by Queanbeyan City Council to rezone land to enable the construction of thousands of homes on rural land at Tralee under the airport's arrival and departure flight paths. It is obviously about airspace. The campaign seeks to highlight the realities of the noise sharing that is set to become a sad, everyday fact of life for Canberra residents if the New South Wales government and Queanbeyan City Council continue to agree to developer demands which would lead to 10,000 people living under Canberra flight paths.

The airport has a long history of working with the community. That partnership has been aimed at reducing the impact of flight path noise along with substantial investments by airlines such as Qantas in noise abatement solutions. As a consequence, 99.5 per cent of Queanbeyan and Canberra residents are protected from aircraft noise. This is a fact of life that people in other cities of Australia—larger cities such as Brisbane, Melbourne and Sydney—envy. This is especially important to the member for Lowe, who has to live with this problem as a result of the operation of Sydney airport. It would be a shame, therefore—if anything, a disaster—if such a desired arrangement was ripped away from Canberra residents as a result of short-term decisions by Queanbeyan council and the New South Wales government acting in the interests of a particular developer.

Qantas has already appropriately and correctly indicated that it would be unlikely to continue to invest in further abatement

measures if the operational and community incentives in the existing flight procedures were to be compromised by such a proposal. The current situation is, appropriately, opposed by the ACT government—and for good reason. Why would the ACT government want to jeopardise a win-win situation by allowing Canberrans to share aircraft noise when it is not fundamentally necessary?

There is no question that, if rezoning proceeds and the developers get their way to develop right underneath the southern flight path, the residents of the new developments there would be subject to aircraft noise. They should be aware of this if this rezoning is allowed to continue, for they are potentially purchasing dud land—land that will be subject to serious aircraft noise in the future. I bet the developers are not telling potential residents these facts.

It is absolutely inevitable that, over time, pressure would be brought to bear by those residents to have other people share the noise burden. That is what occurs in other cities such as Brisbane, Sydney and Melbourne. It has also been an ongoing problem in Adelaide and Perth. This is an issue that has already been foreshadowed by Airservices Australia. Why should Canberrans be forced to compensate for poor planning decisions by New South Wales state and local governments? There is another bill which goes to the operation of airports, the Airports Amendment Bill 2006, which is on the table today for further debate this afternoon.

The absurdity of the current situation with Canberra airport is all the more crazy given that there is an alternative area in Googong identified as suitable for residential development. This was put forward as a viable solution by an independent panel of inquiry strongly recommending against residential rezoning on land underneath current flight

paths. I say to the New South Wales Minister for Planning, Mr Sartor: you are obligated to pay serious attention to the recommendation of this independent panel of inquiry. I also say that some people associated with lobbying for this proposed residential development have previously lobbied me, as the former shadow minister for transport, in a most unsavoury way, and regard should be had for this type of action in seeking to achieve their desired outcomes on the development front.

Alternatively, Googong would provide the area with the opportunity to provide upwards of 25 years of land supply to Queanbeyan without any noise impact. That is a win-win situation for the people of Queanbeyan and for Canberra. That is what we should be about: proper planning decisions. The move would not only be a good one for the future residents of Canberra, as they would move into the aircraft-noise-free area of Googong, but would also protect the residents of Queanbeyan from the adverse impact of noise pollution and would prevent the residents of other areas in Canberra from the very real future possibility of noise sharing in response to the proposed new 10,000 residents.

As shadow minister for tourism, I am also seriously concerned about the future viability of a huge Canberra asset: Canberra International Airport. The move to rezone the area of Googong would also protect the operations of one of the territory's most significant national capital and regional assets: its airport. It is fundamental to the future operation of Canberra. Let us deal with some hard economic facts. Tourism is very important to Canberra and the surrounding areas of New South Wales. Maybe it is about time the New South Wales government not only thought about a partner—the ACT Labor government—but also started to think about the needs of surrounding regional communities, which are their own responsibility beyond

the territory of the ACT. Tourism is the largest private sector industry in the ACT, employing about 11,000 people. More importantly, recent tourism figures show that the territory is leading the country with an increase in overnight visitors. Why would a fellow state government put at risk the future of employment and the living standards of the workers who depend on tourism in the ACT and surrounding residential and tourism areas of New South Wales?

Tourism Research Australia data showed the numbers staying overnight in Canberra rose 4.5 per cent for the year ending June. This is clearly a most important statement. It is a statement about the strength of Canberra's tourism industry at a time of overall national decline in regional tourism. The latest national visitors survey painted a bleak picture of the domestic tourism market, which has been hit by high petrol prices and falling costs for trips abroad. This effectively means that domestic tourism in Australia is doing it tough.

Yet the proposal by the New South Wales government, potentially in partnership with the Queanbeyan council, could have a huge impact on a potentially bright future for tourism in Canberra and surrounding regional areas of New South Wales. With these figures, obviously the ACT went against the trend of declining numbers on the domestic tourism front. There were only two other jurisdictions that recorded a rise ahead of the ACT—Victoria and Western Australia.

I simply say to the New South Wales Minister for Planning, Mr Sartor, and the Queanbeyan council and the developer: think smart; do not think about lining the pockets of one developer, placing at risk the future operation of Canberra airport and potentially undermining an appropriate noise-sharing arrangement that benefits all. Why place all

of this at risk to please a self-interested developer? That is the crux of this matter.

Any future noise-sharing arrangement will almost certainly lead to a pathway of increasing operational constraints on Canberra airport in less than 10 years, which will render the existing airport site unsustainable well before its natural life span has expired. If it is deemed that the risk is worthwhile then the New South Wales government, Queanbeyan City Council and the private sector developers of Tralee, Environa and The Poplars should give a guarantee to Australian taxpayers that they will meet any future costs of noise abatement and relocation of airports. It is about saying to people who make planning decisions that if they want to make these decisions, they bear the costs.

It is the responsibility of the Commonwealth to guarantee the future of airports in Australia. But there is also a special responsibility for state and local governments to not undermine the operational efficiency and capacity of regional and city airports with short-term planning decisions, as proposed by the Queanbeyan City Council at Tralee, Environa and The Poplars at this particular point in time. I say in a very serious way to Mr Sartor and the Queanbeyan council: think about the overall good of Canberra and the surrounding area as a community. Do not place at risk the efficient operation of Canberra airport and cause unnecessary aircraft noise problems across the Canberra region as a whole simply to please a self-interested developer. I commend the bill to the House.

Mr MURPHY (Lowe) (11.33 am)—I rise today to support the comments of my friend and colleague the member for Batman, who is the shadow minister for tourism. This zoning of Googong is wrong. The New South Wales government and the Queanbeyan council are looking after the interests of a developer and not looking after the in-

terests of the people. I know something about that, because I am standing here in federal parliament today by virtue of the fact that the government abandoned the people of Sydney, particularly the inner west, in relation to fair noise-sharing for Sydney airport. The former member for Lowe understood that clearly and resigned from the government. He gave me preferences, and that is why I am standing here.

It makes absolutely no sense to rezone an area residential, with a view to having large planes flying day and night over those houses, just to look after the interests of the proponents of this development in the Canberra area. It makes no sense at all. Planes should be flying over cow paddocks and water. In my experience in Sydney, in my electorate of Lowe in the inner west, we get almost twice as much noise as we were promised by the government because they are more interested in looking after the interests of those people, backed by the Macquarie Bank, who bought the airport for 100 years to maximise profits. As I have said many times in this place, Sydney airport operates very well as a shopping centre and a car park.

I exhort the residents of Canberra and Queanbeyan to look at the history of Sydney airport and the massive expansion that is taking place, particularly since the airport was privatised. Airport noise was not fixed, and nor was there any reasonable expectation that a second airport would be built in Sydney or close to Sydney to take some pressure off Sydney airport. The state government and the Queanbeyan council must think again and defeat this development, otherwise the residents of Canberra and Queanbeyan will be punished for the rest of their days. I commend the Airspace Bill 2006 to the House.

Mrs DE-ANNE KELLY (Dawson—Parliamentary Secretary to the Minister for Transport and Regional Services) (11.35 am)—In summing up debate on the Airspace Bill 2006, I would like to thank all of those who have made a contribution. Transferring the airspace regulatory function from Air Services to CASA will address a perceived conflict of interest between Air Services' service delivery functions and its role as the airspace regulator.

The world is changing, and this bill will ensure that Australia is in a position to take advantage of the benefits that new technologies offer. We are keen to do so in a way that is inclusive of stakeholders and allows them to understand and embrace these changes. The bill will ensure airspace regulatory decisions made by CASA are consistent with government objectives subject to the safety of air navigation. Future reform proposals are to be better backed by solid analysis, including cost benefit and risk analysis.

The safety of air navigation will continue to be the most important consideration. However, CASA will also need to embrace opportunities to enhance efficiency, access, environmental protection and national security without compromising safety. The average pilot will not notice much change as a result of the shift of the regulatory function from Air Services to CASA, as Australia's current airspace architecture will continue to change incrementally as it did under Air Services. The difference is that the policy, economic, safety and social components of airspace change will be properly and publicly accounted for and the process of airspace change will have been rigorously and transparently analysed.

I want to go to two points that previous speakers have raised. One was the call for an inquiry based on these bills before the House. Upon introducing these bills, the

government recommended that they be referred to the Senate Rural and Regional Affairs and Transport Committee—so, in fact, that inquiry will proceed. The terms of reference will be determined shortly. There has also been reference made by previous speakers to the accident at Lockhart River. There were a number of points made with regard to this tragedy. However, an inquiry into CASA at this time, as has been suggested, prior to the completion of the Australian Transport Safety Bureau's investigation and the coroner's inquiry, would not be appropriate. A motion on this subject has already been debated and was defeated in the Senate on 8 November this year.

As has been mentioned, the Australian Transport Safety Bureau investigation into the Lockhart River tragedy has not yet been finalised, but in the interim reports it has been quite evident that there was no suggestion by the Australian Transport Safety Bureau of any failure by CASA. The interim reports also found that the aircraft was operating normally at the time of the accident and that there was no defect or malfunction evident. CASA is, as one would expect, fully cooperating with the Australian Transport Safety Bureau. We expect that a confidential draft of the Australian Transport Safety Bureau's final report will be provided directly to those parties that are involved and that there will be a public release of the final report in March 2007.

The department and the government are aware that the Australian Transport Safety Bureau has issued a media release on the nonreporting of safety incidents by Transair. However, it has made it clear that this is a separate safety issue to the fatal accident. There will be an opportunity in March 2007 for all of those who are rightly concerned about this to look into the report clearly. I commend the bill to the House.

Question agreed to.

Bill read a second time.

Third Reading

Mrs DE-ANNE KELLY (Dawson—Parliamentary Secretary to the Minister for Transport and Regional Services) (11.40 am)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

AIRSPACE (CONSEQUENTIALS AND OTHER MEASURES) BILL 2006

Second Reading

Debate resumed from 29 November, on motion by **Mrs De-Anne Kelly**:

That this bill be now read a second time.

Question agreed to.

Bill read a second time.

Third Reading

Mrs DE-ANNE KELLY (Dawson—Parliamentary Secretary to the Minister for Transport and Regional Services) (11.41 am)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

CUSTOMS TARIFF AMENDMENT (INCORPORATION OF PROPOSALS) BILL 2006

Second Reading

Debate resumed from 29 November, on motion by **Mr Ruddock**:

That this bill be now read a second time.

Ms ROXON (Gellibrand) (11.42 am)—Labor supports the passage of the Customs Tariff Amendment (Incorporation of Proposals) Bill 2006. The bill seeks to implement two customs tariff proposals in legislation to, firstly, reduce the rate of customs duty from three per cent to zero for machinery that in-

corporates or is imported with other goods which, for technical reasons, render the machinery ineligible for a tariff concessions order under Customs Tariff Proposal No. 4 2005. Secondly, the bill allows for duty-free entry of certain aircraft parts, materials and test equipment used in the modification of aircraft under Customs Tariff Proposal No. 1 2006, and also expands the Enhanced Project By-law Scheme, the EPBS, to include the duty-free entry of qualifying goods for the power supply and water supply industries in Customs Tariff Proposal No. 1 2006.

The structure of the bill is such that schedule 1 incorporates Customs Tariff Proposal No. 4. Item 1 amends the existing item 47 of schedule 4 of the Customs Tariff Act 1995 to repeal the rates of duty and substitute a duty-free status. The financial impact statement states that the cost to revenue will be a loss of \$2 million per annum. Item 2 provides that the changes are taken to apply where the goods were imported on or after 11 May 2005. For goods imported before 11 May 2005 where the calculation occurred before 11 May 2005, this item has retrospective effect to the 2005 budget.

Schedule 2 incorporates Customs Tariff Proposal No. 1 2006. Item 1 amends the existing item 31, which allows for the duty-free entry of certain aircraft parts, materials and test equipment in schedule 4 of the Customs Tariff Act 1995 to add goods for aircraft modification to the list of goods determined to the duty free. Presently this is restricted to goods only for repair or maintenance. The financial impact statement states the cost to revenue as a loss of an unquantifiable but minor nature.

Item 2 repeals and replaced the existing item 71, which underpins the EPBS to include the power supply and water supply industries under the scheme. The financial impact statement states that the cost to reve-

nue is a loss of \$10 million per annum in each of the financial years from 2006-07 to 2009-10. Item 3 provides that item 1 applies to goods that are entered for home consumption on or after 1 July 2006. Effectively, this means that item 1 will have retrospective effect to the beginning of the 2005-06 financial year. Item 4 covers transitional arrangements.

The EPBS provides tariff duty concessions on eligible capital goods of significant sized projects in the mining, resource-processing, food-processing, food-packaging, manufacturing, agricultural and gas supply industry sectors. The bill before us will retrospectively expand this scheme from 1 July 2006 to include the power supply and water supply industries. The proposal was previously announced by the government in the federal budget. According to the explanatory memorandum, the EPBS has four objectives, which are:

- to encourage and enhance investment in the establishment of world class operations;
- to encourage the involvement of Australian industry in supplying goods and services;
- to lower input costs for industry where there are sound reasons for doing so; and
- to facilitate Australian industry participation in domestic and international supply chains.

The EPBS enables eligible goods not made in Australia or goods technologically superior to those made in Australia to be imported duty free. They include functional units—that is, machinery integrally connected to perform a process—procurement packages and equipment packages; a quantity of the same type of machinery, equipment or their components which are used across the project; parts, pipelines, conveyers and flexible flow lines; and stainless steel materials to be directly incorporated into the goods identified above. Under the EPBS, eligible goods can be imported in separate

shipments and still be eligible, but applications must be lodged before the eligible goods are imported. Whilst these customs tariff proposals do not necessarily represent Labor's priorities, Labor is prepared to facilitate passage of the bill.

Mr PEARCE (Aston—Parliamentary Secretary to the Treasurer) (11.47 am)—It is my pleasure to represent the Minister for Justice and Customs and the Attorney-General in summing up this bill this morning. The Customs Tariff Amendment (Incorporation of Proposals) Bill 2006 contains amendments to the Customs Tariff Act 1995 that were included in Customs Tariff Proposal No. 4 of 2005 and Customs Tariff Proposal No. 1 of 2006.

Firstly, the bill will alter item 47 of schedule 4 to the Customs Tariff Act by reducing the rate of customs duty from three per cent to free for goods entered under this item. Item 47 applies to machinery that incorporates, or is imported with, other goods which for technical reasons render the machinery ineligible for a tariff concession order. The lowering of the duty rate maintains consistency with the 2005-06 budget decision to remove the three per cent duty on business inputs that are subject to a tariff concession order.

Secondly, the bill alters item 31 of schedule 4 to the Customs Tariff Act. This item allows for duty-free entry of certain aircraft parts, materials and test equipment for use in the manufacture, repair and maintenance of aircraft. The bill proposes to amend item 31 by extending duty-free entry to certain goods used in the modification of aircraft. The extension of item 31 will strengthen the international competitiveness of Australia's aviation and maintenance industries, and is consistent with the government's policy to improve the international competitiveness of these industries.

Finally, the bill will alter item 71 of schedule 4 to the Customs Tariff Act by expanding the Enhanced Project By-law Scheme to include the duty-free entry of qualifying goods for the power supply and water supply industries. The inclusion of the power supply and water supply industries in the terms of item 71 will encourage investment, increase opportunities for Australian industry to participate in major projects and lower business input costs. I want to thank the member for Gellibrand for her remarks, and through her I thank the Australian Labor Party for supporting this bill. I commend the bill to the House.

Question agreed to.

Bill read a second time.

Third Reading

Mr PEARCE (Aston—Parliamentary Secretary to the Treasurer) (11.49 am)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

SAFETY, REHABILITATION AND COMPENSATION AND OTHER LEGISLATION AMENDMENT BILL 2006

Second Reading

Debate resumed from 30 November, on motion by **Mr Andrews**:

That this bill be now read a second time.

Mr STEPHEN SMITH (Perth) (11.50 am)—Labor opposes the Safety, Rehabilitation and Compensation and Other Legislation Amendment Bill 2006. Labor opposes this legislation because, like all legislation on industrial relations matters presented by this government, this legislation is ultimately not in the interests of working Australians. Like the government's extreme industrial relations legislation more generally, this bill has at its

heart the stripping away of the terms and conditions of our workforce. Labor is driven by a desire for genuine improvements in the area of occupational health and safety across Australian workplaces and believes that appropriate compensation is an important and essential part of that. This legislation will erode the compensation component payable to Australian employees.

The Safety, Rehabilitation and Compensation and Other Legislation Amendment Bill 2006 is the latest in a number of amendments made to Australia's occupational health and safety legislative framework by this government. It follows on from previous legislation introduced by this government since the election in 2004, including: the National Occupational Health and Safety Commission (Repeal, Consequential, and Transitional Provisions) Bill 2005; the Australian Workplace Safety Standards Bill 2005; the Occupational Health and Safety (Commonwealth Employment) Amendment Bill 2005; the Occupational Health and Safety (Commonwealth Employment) Amendment (Promoting Safer Workplaces) Bill 2005; and the Occupational Health and Safety and Safety, Rehabilitation and Compensation Legislation Amendment Bill 2005. Labor opposed these bills for good reason. Each of these bills reduced, compromised or put at risk the occupational health and safety conditions of Australian workplaces. At its heart, this bill is no different.

This bill is the government's formal response to recommendations made by the Productivity Commission that changes in this area were needed. It follows on from earlier legislative changes also made following Productivity Commission recommendations. Principally, this includes the Safety, Rehabilitation and Compensation and Other Legislation Amendment Bill 2006, which amends the Safety, Rehabilitation and Compensation Act 1988.

The bill before us today has as its principal objective minimising the cost of work related injury and disease for Comcare. The principal amendments will change the definition of 'disease' to strengthen the connection between the disease and the employee's employment. In particular, it will require a worker to prove that employment has made a 'significant' rather than 'material' contribution to a disease for it to be compensable. The amendments will change the definition of 'injury' to exclude injuries arising from reasonable administrative action taken in a reasonable manner. The bill also expands the exclusionary provisions for stress claims to specifically include performance appraisals and counselling in relation to performance. The amendments will remove claims for non-work related journeys and recess breaks where the employer has no control over the activities of the employee, such as meal breaks away from the workplace, and they will change the calculation of retirees' incapacity benefits to take account of changes in interest rates and superannuation fund contributions.

The amendments will update measures for calculating benefits for employees, including the definitions of normal weekly earnings and superannuation schemes. The amendments will mean that all potential earnings from suitable employment can be taken into account when determining incapacity payments. The amendments will enable determining authorities to directly reimburse healthcare providers for the cost of their services to injured employees and increase the maximum funeral benefits payable. In addition, an amendment to the funeral benefit provisions of the Military Compensation and Rehabilitation Act 2004 is proposed to maintain parity with benefits under the SRC Act.

This bill should be seen in the context of associated legislation, particularly the Occupational Health and Safety Legislation

Amendment Bill 2005, which allows corporations licensed as self-insured under the Safety, Rehabilitation and Compensation Act 1988 to be covered under the Occupational Health and Safety (Commonwealth Employment) Act 1991, administered by Comcare.

I now address some of these matters in detail. Let me start with item 11 of the bill, which deals with definitions of injury and disease and the proposed change from 'material contribution' to 'significant degree'. The bill changes the extent to which an injury, illness or disease must have been contributed to by an employee's work before the injury is compensable. At present, the word 'material' is used. The bill seeks to replace 'material' with 'significant degree', which is defined as 'a degree that is substantially more than material'. So, on the wording of the bill, the government is narrowing the circumstances in which employees may claim compensation. The government argues this is because courts have misinterpreted the meaning of the word 'material'. However, the government's true intent is betrayed by the wording of the explanatory memorandum, which argues that the government is seeking to significantly amend the legislation to reflect its desire to decrease the number of injuries covered by the scheme.

If the government were simply concerned about wording and interpretation, it could have inserted a clarifying statement into the bill. However, by its own admission it is seeking to significantly amend the legislation for the purpose of decreasing the number of injuries covered by the Comcare scheme. Regrettably, the government is not concerned about injury prevention, employee protection or care. The one aim of the government, as we have seen in all of its occupational health and safety and Comcare legislation, is to lower levels of protection for employees and workplaces covered by the Commonwealth

jurisdiction, and now it wants to further reduce the sorts of injuries for which employees may be eligible for compensation.

Let me move to the 'reasonable administrative action' provision of the bill. The proposed section 5A includes a new definition of injury. Labor has two concerns about this proposed change. Firstly, Labor is of the view that there should be no difference between how different sorts of injuries are treated. The broadening of the exclusions from the definition of injury, or aggravation, purports to apply to all injuries covered by the act. However, Labor is of the view that in practice it is likely to be a restriction on the ability of employees to make claims for compensation relating to stress related illnesses. These sorts of injuries are particularly relevant to the demographics of workers covered by the Comcare regime. Labor is of the view that where an injury arises in the course of or as a result of an employee's work then they should be eligible for appropriate compensation.

Secondly, the bill sets out what is a reasonable administrative action as actions in relation to appraisals, counselling, suspension and discipline of employees. The only way the bill provides that these are reasonable is to say 'reasonable appraisal', 'reasonable counselling' et cetera. It provides no steps or guidance as to what is reasonable. Here the government is trying to make what will be in practice a broad exclusion sound innocuous by including the word 'reasonable'. The wording of the proposed section 5A betrays this intention. It requires that a reasonable administrative action be conducted in a reasonable manner. It might sound harmless, but in practice I fear there will be grave difficulties. At its best, this is poor drafting which will not assist employees to determine whether or not they have a valid claim for compensation.

Let me now move to item 12, which deals with injuries occurring at work during temporary absences or when travelling. This is yet another example of the government trying to reduce its expenditure in workers compensation. The proposed new section 6(1)(b) represents another attempt by the government to narrow the range of circumstances in which an injury sustained is covered by Comcare. Firstly, by removing almost all journey claims from the coverage of the legislation, the government is engaging in a significant cost shift back to state governments to cover through CTP claims. Labor notes that not all state jurisdictions have excluded journey claims from their state workers compensation systems: for example, New South Wales still covers workers when they are injured on their way to or from work.

Secondly, although the proposed section has five subsections detailing various circumstances in which an injury may occur, the bill is unclear about injuries arising in a number of respects. For example, how will an injury be treated when an employee is out of the workplace on work business but diverts for personal business? Will an injury they sustain be covered by Comcare under these amendments?

Finally, Labor believes that where an employee is injured during travel for the purpose of attending work or returning home from work there is an argument that the travel is for work purposes. This bill automatically excludes injuries arising in these circumstances from coverage. This is of concern and Labor believes the government has not established a case to depart from the general principle that injuries sustained during work related travel should be compensable unless broken by a substantial deviation. In summary, the legislation leaves gaps in coverage and uncertainty which will create problems for the Commonwealth,

other federal employers, employees and administrators in the future.

Let me move to item 15, the index formula in the regulations. Labor notes that item 15 provides where the normal weekly earnings of an employee must be increased for the purposes of determining appropriate future payments. Whilst the new subsection 8(9D) refers to 'the index prescribed by the regulations', no indication has been given as to the methodology, relevant factors or appropriate formula the government intends to use to calculate these wage increases.

Labor is concerned about the government's recent tendency, particularly in relation to industrial relations and occupational health and safety legislation, to include important matters in the regulations, to be released only after the relevant bill has passed through the parliament.

Let me move to item 18, Comcare payment of medical bills directly to service providers. Item 18 changes the rules relating to when and where Comcare is to direct payments for medical and other services and that Comcare can later recover the amount from any damages awarded to the employee. In that context, items 30 and 31 of the bill are relevant. Labor is concerned that difficulties may arise in practice as a result of these amendments: the bill does not require Comcare to inform employees when payment to a provider, and not to the employee, is made; secondly, it is unclear whether Comcare or the employee will bear the burden of fees and charges arising from accounts paid outside the due date; thirdly, it is unclear from the bill whether there is a mechanism for employees to receive information about the quantum of payments Comcare has made on their behalf, so that they can monitor that information against the assessment of likely damages.

I would like to touch briefly on the superannuation provisions of the bill. Subsection 20(3) sets out the formula for payment. The new formula provides that the weekly amount of compensation payable in accordance with section 19 is reduced by the combined superannuation amount and five per cent of the employee's normal weekly earnings. The military are required to pay five per cent super contributions, so the reduction in this case is understandable, but Commonwealth employees are required to pay only a minimum two per cent contribution and, as such, this could be considered unfair if they were only paying the minimum two per cent but were then deemed to forfeit five per cent compensation. In our view, a fairer option would be to determine a person's average contribution over their Comcare-covered working career.

It has historically been the case that we have seen through the evolution of occupational health and safety policy in this country the overriding objective of preventing workplace injury and illness. This has been a principle that has historically underpinned both Commonwealth and state legislation in this area. The government's objective with this bill departs from that longstanding approach. Instead, it has as its principal objective the reduction of the cost of the Comcare scheme by narrowing the eligibility criteria for compensation under the scheme. This in turn would decrease the number of injuries covered by the scheme. This is the wrong approach for the simple value proposition that it places a premium on cost over rehabilitation. For those reasons, Labor opposes the legislation.

Miss JACKIE KELLY (Lindsay) (12.03 pm)—It is very interesting that the previous speaker is standing up for the New South Wales Workers Compensation Act 1987 over the proposals put here before the parliament in the Howard-Vaile government's Safety,

Rehabilitation and Compensation and Other Legislation Amendment Bill 2006. The design of the New South Wales occupational health and safety legislation is completely flawed. It creates very dangerous work cultures in New South Wales because it is based on the presumption of guilt for some parties and minimal application of liability for others. The law applies a different measure of work safety responsibility and liability to different persons in the workplace and encourages unsafe work cultures. It distorts rather than applies the internationally accepted principles of occupational health and safety legislation where parties are held liable for what they control within bounds of what is reasonable and practicable.

I know the previous speaker, the member for Perth, had a lot to say about what is reasonable. The courts have adjudicated reasonableness for centuries, but it does change. What was reasonable in 1901 is clearly going to be different from what is reasonable in 2006. 'Reasonable' has a very reasonable definition within the judicial system in Australia. It is an entirely appropriate description to be used in any legislation. I think the previous speaker needs to go back to basic drafting principles. You do not have to describe reasonableness, but you know it when you see it and so will the courts in any litigation under this bill.

Specifically, the laws in New South Wales breach notions of justice by creating presumptions of guilt for certain parties and presumptions of innocence for others, even though the offences in question are identical. They deny full rights of appeal. Under the New South Wales occupational health and safety legislation, prosecutions can be done in a jurisdiction—namely the Industrial Relations Court—which is not competent for that purpose and allows parties, particularly unions, with conflicts of interest to conduct those prosecutions. I believe that it is a con-

flict of interest to allow unions which prosecute occupational health and safety breaches to collect up to half of the resulting fines.

I have been personally subject to this type of intimidation by the unions since my vote in this House on the Work Choices legislation. Let me tell the residents of Lindsay that I voted for that bill because Work Choices works. We have seen a dramatic rise in full-time employment positions and we have seen a 30-year low in unemployment—down to 4.2 per cent in Lindsay. Yet the unions are standing over anyone, particularly 20 members on this side of the House. Just check out the union websites. We are being targeted personally in our capacity as members of parliament for voting for the Work Choices legislation, and one of the things they use is the New South Wales occupational health and safety legislation.

The unions, on a vague complaint from the community—and I have FOied who that complaint was from but understand it was from people in the community; read ‘unionists’—then assumed the right to enter my worksite at seven o’clock in the morning before any construction was underway, bring with them a *Current Affairs* crew and try to intimidate and bully, ostensibly under the guise of safety, saying, ‘We are here to ensure safety.’ Not even WorkCover believed that load of codswallop.

The legislative structure in New South Wales supposes employer guilt and breaches the very key notion of justice that you are presumed innocent until proved guilty. The New South Wales legislation of 2000 has predetermined an employer to be guilty, built on the way he has designed his workplace. Employers and the self-employed in New South Wales are charged with an absolute OH&S obligation under the act which is not measured against what they control or con-

tained within the parameters of what is reasonably practicable.

I think that would be fair. It is codified in international treaties that we have signed under this subject heading. New South Wales has really just caved in to union pressure to encourage unions to have more power than the parliament and the judiciary and for the unions to have all sorts of intimidatory factors—to what I believe is basically contributions to their Christmas fund rather than having a genuine interest in workers’ safety. The normal processes of justice are distorted and in some cases removed, including in situations where not only fines but potential jail terms can be imposed.

Work safety is too important an issue for games to be played. Laws cannot make people behave safely. Laws can set the framework within which work cultures, systems and behaviours are formed, but the laws must imbue people with confidence that obligations and responsibilities are going to be applied equitably, fairly and with common-sense. The principles of justice must apply. If laws fail people in these areas, people will conspire to avoid their obligations for fear of unjust laws. This will set in place very unsafe work cultures and workers will be placed at risk.

Amendments to the legislation before us today were announced earlier this year as part of the 2006-07 budget and are intended to maintain viability and improve the administration and provision of benefits. These amendments reinforce the Commonwealth’s commitment to workplace health and safety. As I have said before, Work Choices works. I believe that if the states do not get their act together in this area of occupational health and safety then there is room for the Commonwealth to move in this area. WorkCover in New South Wales is seeing a lot of small businesses go under as a recession looms.

Some relief from WorkCover costs would provide a major incentive for small businesses in New South Wales to keep going and to offset a few of the difficulties they are experiencing, given the recession that the New South Wales government is intent on imposing on the residents of New South Wales.

The Safety, Rehabilitation and Compensation Act 1988 is administered by the Safety, Rehabilitation and Compensation Commission and Comcare, including the provision of advice and assistance to encourage compliance and enforcement of obligations under the act. The Department of Employment and Workplace Relations advise the minister on policy matters arising under the act and are responsible for advancing any legislative changes required. That is why I always say that we need to keep on with our Work Choices program. It has worked to date. We will not shy away from any future legislative changes that are required, and we are here today moving forward again.

Significant amendments have been made to emphasise a focus on prevention and compliance. The previous speaker was worried about some ancillary matters, but these amendments have inserted very strong enforcement regimes based on criminal and civil sanctions for situations where duties are not met. Those obligations are within employers' control and within what is considered to be reasonably practicable—and we all know what that means. They also ensure that employers and employees covered by the Commonwealth OH&S act are not liable for prosecution under the industrial manslaughter laws introduced in the Australian Capital Territory or under any similar industrial manslaughter laws enacted by a state or territory.

Do beware that the ALP governments of the states are under significant pressure from

the union movement to introduce these manslaughter laws. They are disastrous for any small business person who has tried to do the right thing—to comply with the regulations, move ahead and stay up to speed with what is reasonably practicable for things within their control. Under these automatic manslaughter laws someone without any direct control, except ownership, can be held liable for extremely unfortunate accidents in the workplace. And these accidents should not be happening. As a nation, we should be moving towards ensuring that there are no further accidents of this kind. For example, the mining industry in Australia has come a long way in 100 years, not from mandating that you will be guilty of manslaughter for dereliction in this area but from really enforcing what is considered reasonable in this day and age: this is what you must achieve and this is what you must do in order to keep your workforce safe. It should be pointed out that the overall aim of any occupation health and safety legislation should be directed towards preventing workplace deaths and injuries and providing a safe workplace environment for all rather than towards applying punishment to offenders after an accident or an event has occurred.

In Australia, work safety laws are primarily the responsibility of the state governments. In March 2005, Australia assumed an obligation to adhere to the international OH&S principles under an international treaty. The international treaty obligations are set out in convention No. 155 of the International Labour Organisation, and signatory countries are required to adopt OH&S laws that apply liabilities and responsibilities according to what people control within what is reasonably practicable for them to do. That is in accordance with the Roben principles, the guiding principles that impose obligations on all parties involved in all aspects of work situations, and no-one is exempt.

This legislation is under our international obligations under that treaty. There is room to move in this area, but I would like to see a more responsible position taken by the state governments. They should cease caving in to the union movement and stand up to them for once. They should curb the power of the unions to intimidate owner-builders, small business men and even multinationals, and particularly to intimidate companies subject to a major closure. A large firm doing a concrete pour or something like that can be closed down over a safety breach by a union with a vested interest. This is the type of legislation that has caused the recession we are having in New South Wales. Other states, with legislation that is not so draconian, are going ahead. I for one support the bill. I am totally opposed to the previous speaker's suggestions about the direction in which occupational health and safety in Australia should go.

Mr McARTHUR (Corangamite) (12.16 pm)—Over the years I have had an ongoing interest in workers compensation matters, particularly in workers' safety and in rehabilitation and compensation for those persons who suffer some injury while at the workplace. I come from a farming background, as members would know. That industry has an appalling record of accidents and deaths. So I personally am very aware of the issues involved and have done everything possible to make sure that workers' safety is a top priority. I remember the Snowy Mountains scheme. Mr Hudson was the managing director of that whole operation. He put an emphasis on safety. He forced all employees to wear seatbelts during that major project, and the safety record in the late 1940s and early 1950s was remarkable, given the prevailing attitude towards safety.

As honourable members would know, workers compensation is basically a prerogative of state governments. There have been a

number of changes. It has been alleged that in some cases workers compensation at the state level was rorted by employees and that premiums were too high. Some states have remedied that situation and have ensured that premiums became more reasonable and that industries with different categories of risk suffered a premium relative to their industry. In the timber industry, which I have been fairly close to, the premium for workers compensation was the wage, plus 25 to 50 per cent.

The Safety, Rehabilitation and Compensation and Other Legislation Amendment Bill 2006 is particularly concerned with travel to and from work and psychological injury. I note from the outset that cases involving psychological injury or stress, in the case of the Commonwealth, constitute seven per cent of the claims but 27 per cent of the costs. Turning to some of the more technical details, the bill seeks to reintroduce common sense into the Commonwealth occupational health and safety legislation and to cut down on potential opportunities for people to rort the workers compensation system. I say that in view of some of the state legislation I referred to which sought to address some of these problems. In particular, the bill seeks to exclude employees' journeys to and from work from coverage under the Commonwealth workers compensation scheme and also to exclude recess breaks where the employer has no control over the employee.

Another important reform is that the amendment bill strengthens the connection between eligibility for workers compensation and work such that work must have contributed 'in a significant degree' to the injury claimed. In particular, the amendment will mean that employees cannot claim 'stress' for failing to receive a promotion or for receiving reasonable disciplinary action by an employer. I think most members of this House and most employees would regard

that as reasonable. I note over the years some of the claims for stress leave in the teaching profession in Victoria, both at the Commonwealth level and the state level.

The National Occupational Health and Safety Commission estimates that the total economic cost of workplace accidents to workers, employers and the community is in excess of \$31 billion annually. That is a huge figure which concerns all of us in this House greatly. The 2004 Productivity Commission report *National workers' compensation and occupational health and safety frameworks* discloses that workers compensation schemes across Australia collected more than \$5.8 billion in premiums from employers in 2001-02 and paid out more than \$3.4 billion to injured workers, \$1.26 billion in medical and other costs and \$1.23 billion for administration. These figures are huge. That is why some of us have taken so much interest in workers compensation, both from a humanitarian point of view and because of the ongoing costs to everyone involved. The changes to be brought about by this bill will improve the long-term affordability of the Commonwealth workers compensation system by reducing claims against Comcare and providing an estimated saving of \$20 million to Comcare's annual premium pool.

Turning to the specifics of the bill in regard to journeys to and from work, many Australians would be aghast to learn that, under current Commonwealth workers compensation arrangements, employers can be held responsible for injuries sustained by workers while travelling to and from work. An age-old debate at the state level for the last 30 years has been the legal liability of employers for employees travelling to and from work, what time they started at, what injuries they incurred and whether the injuries were bona fide. This is an important issue of relevance to constituents living in my electorate of Corangamite. Thousands of

people live in the Geelong region, in Grovedale, Belmont, Highton, Barwon Heads and Torquay, and drive their cars daily to and from work in Melbourne. The trip takes an hour or longer each way on a very busy freeway.

Madam Deputy Speaker, you will be aware that \$120 million was provided by the Commonwealth to upgrade the Melbourne to Geelong road to make it safer for travellers. I was pleased that I advocated funding for that road just on the basis of safety. There was also a public campaign. Since the highway from Melbourne to Geelong has been upgraded, I think only one life has been lost. In the situation where an employee lives in Geelong and works in Melbourne, it is their choice that they travel to and from work; it is not their employer's choice. I think it is unreasonable to expect an employer to be responsible for an employee who has an accident while travelling from their place of residence to their place of work.

The bill also seeks to exclude from coverage injuries sustained during lunch breaks and events held outside of work, where the employer cannot control the safety conditions. Again, time only permits me to provide one example. In Colac, some employees—and this is on the public record—got themselves into difficulties during their break and found themselves in court. They had been skylarking, and as a result sustained some serious injuries. It was possible that their case came under workers compensation.

On the more technical side, referring to the speech of the Minister for Employment and Workplace Relations, the Commonwealth workers compensation scheme has come under growing pressure in recent years from increasing numbers of claims, longer average claim duration and higher claim costs. This has been reflected in workers compensation schemes at the state level.

This, in part, is a result of court interpretations of the legislation, some of which have departed from the initial intent of the legislation. The principal amendments contained in the bill are intended to maintain the financial viability of the scheme. The amendments will also improve the administration and provision of benefits under the scheme. This reflects some of the changes that have been administered by Labor state governments, and the Commonwealth—I notice the Minister for Employment and Workplace Relations is seated at the table—has probably been a bit tardy in making some of these changes so as to ensure that the national system was compatible with state jurisdictions.

The definitions of ‘disease’ and ‘injury’ are of central importance in the Safety, Rehabilitation and Compensation Act. These definitions will be amended to strengthen the connection between the employee’s employment and the employee’s eligibility for workers compensation under the scheme. The act currently requires a material contribution by employment to a disease before compensation is payable. When originally enacted, this provision was meant to establish a test—and I quote from the then minister’s second reading speech in 1988—requiring that an employee:

... demonstrate that his or her employment was more than a mere contributing factor in the contraction of the disease.

The issue being addressed—and again I quote from the then minister’s 1988 second reading speech—was:

... the Commonwealth being liable to pay compensation for diseases which have little, if any, connection with employment.

Notwithstanding this clear expression of legislative intent, the courts have read down the expression ‘in a material degree’ to emphasise the causal connection between the employment and the condition complained of

rather than the extent of the contribution itself. The bill therefore includes an amendment to restore the initial legislative intent by requiring that an employee’s employment must have contributed in a significant way to the contraction or aggravation of the employee’s ailment. Put in simple language, it means that there needs to be a genuine problem caused to the employee at the workplace, not a technical, legal interpretation of the act.

The current definition of ‘injury’ contains exclusionary provisions which prevent compensation claims being used to obstruct legitimate administrative action by management. These provisions ensure that compensation is not payable in respect of an injury, usually a psychological injury, which arises from reasonable disciplinary action taken against an employee, or a failure by the employee to obtain a promotion, transfer or benefit in connection with employment. The exclusionary provisions are being updated and expanded to include other similar activities which are also regarded as normal management responsibilities—provided, of course, that they are reasonably undertaken. I am very confident in the Minister for Employment and Workplace Relations undertaking these matters at the Commonwealth level. These matters include a reasonable appraisal of the employee’s performance and reasonable counselling action taken in respect of the employee’s employment. These amendments to the definitions of ‘disease’ and ‘injury’ seek to restore the operative effect of the legislation to what the parliament and the then government intended in 1988.

The bill also amends the provisions that set out the circumstances in which an injury to an employee may be treated as having arisen out of, or in the course of, his or her employment. In its March 2004 report *National workers’ compensation and occupational health and safety frameworks*, the

Productivity Commission recommended that coverage for journeys to and from work not be provided and that recess breaks and work related events should be restricted to those at workplaces and at employer sanctioned events. The fundamental common-sense principle underlying the Productivity Commission's recommendations was, of course, that employers should be held liable only for conduct that they are in a position to control.

Consistent with the Productivity Commission's approach, the SRC Act will be amended to remove coverage for injuries sustained by employees during journeys between home and work and during recess breaks undertaken away from the employer's premises—for example, lunch breaks during which an employee leaves the employer's premises to go shopping. Employers cannot control circumstances associated with journeys to and from work or recess breaks away from employer premises, and it is not appropriate for injuries sustained at these times to be covered by workers compensation. I make the observation that sometimes in the courts there can be some interesting interpretations of what I call 'extraneous events' that have been covered by workers compensation at the state and federal levels.

The bill also enhances various entitlements available to employees under the principal act. The bill will amend the method for the calculating of retirees' incapacity benefits to take account of changes in interest rates and superannuation fund contributions since the time the act was first introduced. The change in the interest rate provision would result in increased benefits payable to retirees. Amending the notional superannuation deduction would restore the original policy intent by providing for benefits to affected retirees to be set at 70 per cent of pre-injury normal weekly earnings.

The bill will also increase the maximum funeral benefits payable under the SRC Act and its counterpart act, the Military Rehabilitation and Compensation Act 2004, for members of the defence forces, to bring these closer into line with actual funeral costs.

Finally, the bill includes a number of minor technical amendments to the SRC Act which correct anomalies that adversely affect the efficient operation of the act or are inconsistent with the original policy intent behind particular provisions.

I support the thrust of the bill and the philosophical interpretation of what the government and the minister are trying to achieve with it. This debate has been ongoing for the last 30 years. I am delighted that the Commonwealth is now addressing these difficulties so that genuine employees who suffer injury at the workplace will be compensated but court interpretations of the act that allow the system to be rorted will be prevented. The system cannot sustain such rorting, and to allow it to continue is an indictment against those employees who should be receiving their proper payments as well as those good employers who are doing their best to maintain a safe workplace. I strongly support the bill and commend it to the House.

Mr ANDREWS (Menzies—Minister for Employment and Workplace Relations and Minister Assisting the Prime Minister for the Public Service) (12.30 pm)—in reply—I thank the member for Corangamite for his contribution and other members for their contributions to this debate. The Safety, Rehabilitation and Compensation and Other Legislation Amendment Bill 2006 amends the Safety, Rehabilitation and Compensation Act 1988, primarily to maintain the financial viability of the Commonwealth workers compensation scheme and to facilitate the

provision of benefits under the scheme. The scheme has come under added pressure in recent years from increasing numbers of claims, longer average claim duration and higher claim costs. This is, in part, a result of court rulings that have expanded the scope of the scheme beyond what was initially intended by the previous government and agreed by this parliament.

The main amendments contained in the bill therefore seek to address these issues. The bill will amend the definitions of disease and injury, which are of central importance in the SRC Act, to strengthen the connection between the employee's employment and the employee's eligibility for workers compensation under the scheme. The bill does this in two ways: first of all, the bill amends the definition of disease to ensure that Comcare is not liable to pay compensation for diseases which have little, if any, connection with employment. The amendment requires that an employee's employment must have contributed in a significant way to the contraction or aggravation of the employee's ailment before compensation is payable. This replaces the current test, which requires a material contribution by employment to the disease before compensation is payable.

When originally enacted by the previous Labor government, it was understood that the material contribution test required an employee to demonstrate that his or her employment was more than a mere contributing factor to the contraction of the disease. However, the courts have read down the expression in a material degree to emphasise the causal connection between the employment and the condition complained of, rather than the extent of the contribution itself. The amendment therefore restores the original legislative intent.

Secondly, the bill amends the definition of injury to expand and update the existing ex-

clusionary provisions to prevent workers compensation being payable in respect of an injury, usually a psychological injury, arising from legitimate administrative action taken by management. This would include, for example, reasonable appraisal of the employee's performance and reasonable counselling action taken in respect of the employee's employment.

The bill also amends the provisions that set out the circumstances in which an injury to an employee may be treated as having arisen out of, or in the course of, his or her employment. Specifically, the amendments will remove coverage for injury sustained by employees during journeys between home and work and during recess breaks undertaken away from the employer's premises. These amendments are consistent with the recommendations made by the Productivity Commission in its March 2004 report on national workers compensation and occupational health and safety frameworks. The Productivity Commission recommended that coverage for journeys to and from work not be provided and coverage for recess breaks and work related events should be restricted to those at workplaces or at employer sanctioned events. The fundamental common-sense principle underlying the Productivity Commission's recommendations was that employers should only be held liable for conduct that they are in a position to control. Employers cannot control circumstances associated with journeys to and from work or recess breaks taken away from employer premises, and it is not appropriate for injuries sustained at these times to be covered by workers compensation.

The bill is also about enhancing various entitlements available to employees under the principal act. The bill will amend the method for calculating retirees' incapacity benefits to take account of changes in interest rates. The change in the interest rate pro-

vision would result in increased benefits payable to retirees. The bill will also increase the maximum funeral benefits payable under the SRC Act, and its counterpart for members in the Defence Force, the Military Rehabilitation and Compensation Act 2004, to bring these benefits closer into line with actual funeral costs.

The bill also provides a further reference scale for adjusting employee entitlements under the scheme. Where an employee's normal weekly earnings cannot be updated by reference to the rates contained in those instruments currently referred to in the SRC Act, benefits will be updated by reference to an Australian Bureau of Statistics index, which will be prescribed in the regulations.

Finally, the bill includes a number of minor technical amendments to the SRC Act which correct anomalies that adversely affect the efficient operation of the act or are inconsistent with the original policy intent behind the particular provisions. I commend the bill to the House.

Question agreed to.

Bill read a second time.

Message from the Governor-General recommending appropriation announced.

Third Reading

Mr ANDREWS (Menzies—Minister for Employment and Workplace Relations and Minister Assisting the Prime Minister for the Public Service) (12.35 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

TAX LAWS AMENDMENT (2006 MEASURES No. 6) BILL 2006

Second Reading

Debate resumed from 2 November, on motion by **Mr Dutton**:

That this bill be now read a second time.

Mr FITZGIBBON (Hunter) (12.36 pm)—The Tax Laws Amendment (2006 Measures No. 6) Bill 2006 is a non-controversial bill that extends deductible gift recipient status to certain organisations that are not currently eligible under the normal application procedures of the Australian Taxation Office. This allows donations of over \$2 to those organisations to be tax deductible. I will list them for the benefit of the House: the Don Chipp Foundation Ltd, from 27 June 2006; the Lingiari Policy Centre, from 26 July 2006; Nonprofit Australia Ltd, from 29 June 2006 until 28 June 2009; Playgroup SA Inc., from 6 August 2006; Point Nepean Community Trust, from 27 June 2006 until 10 June 2009; St Mary's Cathedral Restoration Appeal Inc., from 27 April 2006 until 26 April 2007; and the Ranfurly Library Service Inc., from 3 May 2006.

Some other organisations have also had their DGR status extended: the Bowral Vietnam Memorial Walk Trust Inc., until 15 August 2006; the Dunn and Lewis Youth Development Foundation Ltd, until 31 December 2006; the St Paul's Cathedral Restoration Fund, until 22 April 2008; and the Yachad Accelerated Learning Project Ltd, until 30 June 2008. There is a cost to revenue of almost \$10 million over the period of the forward estimates, and Labor supports the measures proposed.

The bill also corrects a number of errors in the legislation. Labor accepts that inevitably there will be some errors in legislation over time and the need to correct typographical errors through amendments. However, a number of errors corrected in this bill are much more than typographical—in particular, the removal of redundant material, the correction of technical drafting errors, missing consequential amendments, and the correction of some definitions.

I identify for the House that this bill is another admission by the minister that the error rate in legislative drafting has been very high in the last few years. This adds to compliance costs for business and makes the tax system less effective and efficient. Again I call on the minister to deal with this issue—after all, we have now had a Federal Court judge, the Inspector-General of Taxation and even the minister himself indicate that there are problems in the drafting and interpretation of tax laws. The problem has become endemic in recent years and is reaching crisis proportions, which is why we have so much public debate on the issue at the moment.

For the benefit of the House, I will quickly run through some examples: in February, we had a tax law amendment bill on retirement villages which had errors corrected after the bill was introduced; in February, there was another tax law amendment bill on the GST non-reviewable contracts, for which the minister had to accept Labor's amendment; again in February, we had TLAB7, when the government amended its own bill in the House to change time frames for provisions relating to non-commercial loans; in May 2005, for TLAB1, the government had to rewrite schedules on the GST as it applies to foreign tour operators; in June 2005, for TLAB2, the government had to withdraw provisions on the GST margin scheme; in June 2005, in TLAB3, there was a major mistake on an international tax bill which had to be corrected in schedule 2; since 2000, we have had at least 12 changes to the consolidation bills; and in December 2005 there was a debacle over the loss recoupment measures. Labor's amendment was rejected in the morning, and by the afternoon the government was announcing that the policy would be reviewed. In June 2006, tax law amendment bill No. 3 had errors in item 4 of schedule 7, which related to the superannuation funds reporting to the ATO;

and, again in June 2006, Tax Law Amendment (2006 Measures No. 3) Bill had problems in the drafting of the legislation. That bill clarified that the repeal of the six-year amendment period for general anti-avoidance amendments only applied to assessments for the 2004-05 income year and later income years, as originally intended. In December 2006, for TLAB4, there was a need for a market cost base to be adjusted for the bills to apply prospectively; and, again in December 2006, for TLAB6, there were numerous technical corrections.

That is a long and disappointing list that must be of great concern to those who have to deal with the interpretation and implementation of Australia's taxation laws on behalf of the people they represent. As I said earlier, this adds significantly to business costs and compliance costs, particularly for small business, which simply does not have the resources to deal with such uncertainty in the area of taxation law.

The bill before the House deals with the tax treatment of income earned by individuals while serving overseas, and good examples are our Defence Force personnel and people working on aid projects. I want to turn to one other example of how this area of tax law is applied and has been applied. I want to refer specifically to the case of Mr Trevor Flugge and his association with the Australian Wheat Board. Some time ago I asserted in this House that Mr Flugge had paid no income tax on the money he earned while serving overseas for the Australian Wheat Board, which was in the order of a million dollars, as we understood it. Sources are now confirming that that was indeed the case, and Mr Flugge has passed up every opportunity to deny that it was the case that he had paid no income tax on that million or so dollars that he earned overseas.

This all happened despite objections about a conflict of interest from US wheat farmers, based on Mr Flugge's former role as chairman of the AWB. Upon his appointment, Mr Flugge was told that he would be exempt from Australian tax as Iraq had an income tax system and he would not need to be taxed twice.

The DEPUTY SPEAKER (Hon. BK Bishop)—I would remind the member that, whilst we do have a wide-ranging debate, it is necessary to come back to the subject of the bill.

Mr FITZGIBBON—I appreciate your intervention, Madam Deputy Speaker, but this does go directly to the matters contained within this bill. What is more concerning is that the tax-free status that Mr Flugge enjoyed was gained by a change to the tax laws in 2005. In January last year, the Howard government moved to introduce special legislation to negate that liability and to restore the tax exemption for certain Australian workers in Iraq, including Mr Flugge. That legislation delivered a windfall of several hundred thousand dollars to Mr Flugge.

Labor supported the legislation last January in good faith, but we now know, or at least suspect, that the legislation was passed partly to accommodate Mr Flugge. In today's *Sydney Morning Herald* a spokesman for the Assistant Treasurer, Mr Dutton, said he could not say if anyone had lobbied for the changes to the law. I am very pleased Mr Dutton has been able to join us in the House because that will give him an immediate opportunity to respond. Labor questions the role Mr Flugge played in securing this tailor-made tax exemption for himself, and I now invite the minister to confirm that this change to section 23AG was not done at the behest of Mr Flugge, Mr Long or anyone else at the Australian Wheat Board.

I want to close by reaffirming my request to the minister to address those issues and then by going back very quickly to this debacle we have had in the drafting of tax legislation over the last few years, not just under Minister Dutton but also, and even more markedly, under Minister Brough. We became fond of calling them 'Brough-ups' on this side. I have not quite been able to determine a colourful phrase to better describe them under Minister Dutton. He must by now, surely in his own mind, agree with me that the errors in tax legislation identified after they have been introduced into this place have been extraordinary and unacceptable. I am sure they are not only unacceptable to me and the opposition but also to the army of tax experts, accountants, that have to deal with the interpretation and the application of the legislation and of course to their clients, small business operators amongst them.

I had an article in the *Australian* recently on the issue of compliance for small business in which I also canvassed various things the government could be considering for the small business sector in the area of taxation. They ranged fairly widely—all the way from maybe extending and tidying up the application of the entrepreneurs tax offset through to a special corporate rate for small firms and another model for delivering a lower rate for unincorporated firms on the money they receive for the sale of goods and services.

I note that I have had no response at all from the government side on these proposals, neither from Minister Dutton nor from the minister for small business. It makes me wonder where the government's mind is. It says it wants to do something about compliance for small business yet it is consistently putting flawed tax laws into this place. The fact is, while the government likes to talk lots and lots about reducing compliance for small business—indeed, prior to the 1996

election it promised to reduce red tape for small business by 50 per cent—it has done nothing.

In any case, while we will all continue to strive towards lower compliance costs, towards less red tape, for small business it will always be there. That is the unfortunate reality of the way government legislation impacts upon business, in particular small business, which does not have the resources to absorb it as well as larger firms do. The reality is it will always be there and the government should be looking on the other side of the equation at how it can compensate small business for the disproportionate way in which red tape and compliance falls upon it. The best way it can compensate small business for that is of course through the tax system—looking at models to deliver a lower taxation regime for the risk and effort of small business persons and as a means of encouraging entrepreneurship in this country.

The silence coming from the government on this issue is absolutely deafening. So, again, when the minister gets to his feet he might be able to share his views on the proposals I put forward just now or the proposals I put forward in the *Australian* newspaper recently. He has had plenty of time to read them between now and then, and I cannot believe that the government would not have looked at those proposals and attempted at least to develop a response to them.

I invite him to respond to those ideas—very good ideas, I think—for small business but also, and even more particularly, on this occasion to respond to the suggestion I have made that the changes to 23AG were made after the event in the case of Mr Flugge and at the behest of Mr Flugge to ensure that the \$1 million he earned while overseas was not partly subsidised by the Australian taxpayer.

Mr TUCKEY (O'Connor) (12.49 pm)—I welcome the member for Hunter to his con-

tinued attendance at the dispatch box and hope that he will continue to bring a modicum of common sense to this place. The Tax Laws Amendment (2006 Measures No. 6) Bill 2006 before us today, as has been described by the member for Hunter, is a piece of amending legislation to address certain outstanding matters and inaccuracies within the tax act and primarily, from a political perspective, addresses the increasing or the extending of entitlement for deductible gift recipients. This is a policy, I would say a bipartisan policy, of government to allow charities as we know them to achieve a status of being a deductible gift recipient, meaning those persons who donate to them in amounts in excess of \$2 can claim a tax deduction upon their own tax responsibilities.

I note that just these small measures are identified as having a negative effect on revenue of about \$9.59 million, \$9.6 million—quite a lot of money. I am sure each and every one of these particular groups that have had their status established or otherwise extended in this bill are managed by people of good intent and will result in community benefit and public good.

It has been an issue for me nevertheless to concern myself with this process. I mean, considering the rather limited number of projects involved, would we have been better giving them \$9.6 million instead of having this convoluted process? I have not got the answer to that, but I have often raised that question. I have concerned myself over the years with the scrutiny of some of these organisations. It is notable here that a number of these organisations had a limited period in which they qualified as a deductible gift recipient, and four have had that entitlement period extended.

Mr Fitzgibbon—You'd have to give them about \$30 million, Wilson: more than the cost of granting a tax deduction.

Mr TUCKEY—Yes, one might wonder just how much of the other money is actually available. Anyway, from a taxing perspective one might wonder about this convoluted process. I think you might find that on some smaller tax returns they are listed as deductible gifts wherever they might have appeared.

But the reality is that four of these groups have had their entitlement periods extended. For instance, the period for the Bowral Vietnam Memorial Walk Trust Inc was extended from August 2005 to August 2006, which of course is already past. The Dunn and Lewis Youth Development Foundation has had its period for eligibility extended from November 2005 to January 2007, and so on. I am encouraged that there is, by that process—in other words, granting the entitlement for a limited period—an opportunity for review and an opportunity to ensure that the taxpayers' contribution in this matter is being spent in an appropriate way and that taxpayers are getting value for money from this process.

Then one looks at the wider situation of the application of income tax or income tax exemption to certain so-called charitable operations. I have never been able to understand why the manufacturer of the most popular breakfast cereal in Australia for decades pays no tax because it is owned by a church group. I can understand that churches in the normal practice of delivering assistance and encouragement to people should not be taxed, but when they operate the biggest corporate entity in breakfast cereals in Australia I wonder whether that is truly a churchly activity. I would have thought that, even on the basis of competition, there is a huge advantage extended to someone who can be in the marketplace and not have to attach or deduct from their profitability company taxation.

I am not sure that that is a widely held view. I have heard that every penny made

goes to good causes, and there are many other examples of that nature. I do not want to be too specific about the one I have mentioned.

Mr Fitzgibbon—Trevor Flugge was a good cause, wasn't he?

Mr TUCKEY—Yes, I know. Anyhow, we should not get too far into that. I am talking about the AWB later today. The member for Hunter is well aware of my views on the scams that have operated within that system for the last five or six years, many of which were identified by Mr Cole. A large number were not because it was not in his brief, and those are all ones that have caused substantial financial damage to my constituents, many of whom are prepared to return to the chopping block at the next opportunity, and complain bitterly about the government maybe trying to protect its interest.

Coming back to this tax bill, it is interesting that there are many aspects of tax deductibility for welfare or charitable organisations that I believe should be under constant review in this place. I do not know if it would be the public accounts committee, but one of those standing committees of the parliament, attended of course by members from both sides of the House, was not looking at the practicality and the value to the Australian taxpayer of some of the aspects of tax deductibility.

Granted: I know that at one stage the government had a look at people who might better be described as lobbyists but, because their lobbying activities were involved, say, with the environment, they were considered some sort of charitable organisation. It is not unusual for them to pay their chief executive a very large salary, and of course with the advent of the fringe benefits tax we had to change the law—it might have been the previous government. These people were taking their entire salary as a fringe benefit, because

the organisation by whom they were employed did not pay tax. The argument of FBT deductions is that the employee relies upon the employer to pay all their bills—in other words a salary sacrifice—and then turns around and the employer is obliged to pay tax on those benefits. Of course, the trade-off as we all know is that company tax is a flat rate; if the employer is a company there is a tax benefit that accrues from that activity. But if the agency that participated in this arrangement with fringe benefits tax was not taxed then the employee became virtually tax free. State governments were pulling the same trick, and as a result of that there was no opportunity to recover the tax as the legislation intended.

So there are a range of issues about charitable and other similar organisations and groups that achieve this deductible gift recipient status. In my mind, while I support its basic existence, there should be a constant review of those who receive it, and I endorse the fact that the government has seen fit to have a restricted period under which the entitlements of a number of the institutions listed exists. So that is the first thing to do there.

The member for Hunter in his closing remarks said a few things about tax on small business. After a long career in small business, I have to say that income tax as such was seldom a serious problem. When you are struggling in small business and utilising the deductions available, income tax is seldom a huge burden. It is the taxes you pay even when you are going broke that hurt small business—payroll tax, a variety of stamp duties, land taxes and rates and taxes that take no account whatsoever of the income of the business. They are purely and simply arbitrary and they become a cost to business. Some of those are in fact tax deductible at the Commonwealth level, and I guess that is some advantage. I invite the member for Hunter to look, in pursuing quite creditably

the issue of how small business is taxed, at the taxes they pay even if they are going broke. Those taxes make life very hard for small business, and it is something that we might all want to turn our attention to one day, notwithstanding that very few of those taxes apply from the Commonwealth regime.

GST was a great invention because that, at least, removed the burden small business so frequently had hidden in the purchase price of the goods—sales tax. Many of those goods included the very equipment that they used to run their business. We even had the most outrageous situation whereby you could buy a refrigerator for domestic purposes at a relatively low rate of sales tax but if you bought one for the conduct of your business the tax was frequently about 30 per cent on the same item. One wonders how we could have had for so many years a tax system that applied in that fashion.

The other issues that have already been mentioned relate to a variety of corrections within the bill. That is appropriate. It is easy to say that the draftees will get everything right or that as we get layers of tax law we do not have some unnecessary duplication. The bill deals with a lot of those matters. It is interesting that this House must correct where the asterisks are. I think it quite appropriate, by the way, that we are correcting some duplication where the Prime Minister has to appoint senior officers in the tax office and if he is unavailable to do so he delegates that responsibility to the Treasurer. Whosoever is in government does it anyway. It has not been a job that the Prime Minister typically takes upon himself. In other words, it has been the responsibility of the person designated as Treasurer in the government of the day and this bill recognises that fact and repeals subsection 6B(11) of the Taxation Administration Act 1953. The Prime Minister will no longer need to delegate the power to the Treasurer to make such acting appoint-

ments. It is eminently sensible and good policy. There are a number of things of that nature in the bill, and I am sure everybody agrees with those.

There is not much more I can say. There is an extensive list of deductible gift recipients—thousands that the government recognises. I trust the Assistant Treasurer, who is sitting at the table, will find the time to get his department to review their performance, and while he is looking at that I trust he will ensure that if those so-called charitable organisations out there doing public good are running businesses of significance they will be treated as businesses and not charities. That is fair to other competitors as much as it is fair to the taxpayer. With those few remarks I announce that I am more than happy to support this legislation.

Mr DUTTON (Dickson—Minister for Revenue and Assistant Treasurer) (1.04 pm)—I thank all those members who have taken part in the debate on the Tax Laws Amendment (2006 Measures No. 6) Bill 2006. In particular I thank the previous speaker, who provided a valuable contribution to this debate. Before I sum up I would like to respond to one point that the opposition spokesman made. He made reference to an article he had published in the *Australian*, and he claimed that the government had not responded. Just for the record, I had prepared a response and had sent it to the *Australian*. Regrettably, they were unable to print it. I opened the article I put to them with a quote which said, ‘We have never pretended to be a small business party.’ That was a quote from the then opposition leader, Mr Beazley. Perhaps there was some foresight by the *Australian*—they realised at that stage that the Shadow Assistant Treasurer was running around trying to cut the throat of the then opposition leader, Mr Beazley. Now he has been successful and he will form part, I understand, of the new dream team as it goes

forward. I hope he does; I wish him every continued success.

I started the article with that quote and then went on to talk about a number of ways in which the Howard government have been the best friend small business has ever had. I talked about the way in which, for argument’s sake, we helped slash interest rates from the 20 per cent high that they were under Labor. Small business knows that Labor is not the party of small business. Small business has every understanding that Labor stands for high spending, high taxation, a stagnant economy and unemployment. This government stand for everything opposite and we have delivered over the last 10 years.

Specifically, the amendments to the list in relation to deductible gift recipients show the government’s commitment to assist worthy organisations that meet the criteria to become listed organisations under the Income Tax Assessment Act 1997 in order to attract greater public support for their activities. The organisations that are listed as DGRs in this bill are: the Don Chipp Foundation Ltd from 27 June 2006; Lingiara Policy Centre from 26 July 2006; Non Profit Australia Ltd from 29 June 2006 until 28 June 2009; Playgroup SA Inc. from 6 August 2006; the Point Nepean Community Trust from 27 June 2006 until 10 June 2009; St Mary’s Cathedral Restoration Appeal Inc. from 27 April 2006 until 26 April 2007; and the Ranfurly Library Service Inc. from 3 May 2006.

In addition, this bill extends the DGR listing of the Bowral Vietnam Memorial Walk Trust Inc. until 15 August 2006, the Dun Lewis Youth Development Foundation Ltd until 31 December 2006, the St Paul’s Cathedral Restoration Fund until 22 April 2008 and the Yachad Accelerated Learning Project Ltd until 30 June 2008.

The bill formalises arrangements for the Treasurer to appoint acting commissioners of

taxation during periods of absence from office. The bill also makes a number of other technical corrections, amendments and general improvements to the taxation laws. While not implementing new policy, these amendments are part of the government's ongoing commitment to improving the quality of the taxation laws.

This bill demonstrates the government's ongoing commitment to supporting community organisations that make a tangible difference in the lives of lower income people—people less fortunate than us. It underscores also the benefits that the Australian small business community has from re-electing a Howard government, because we are a government that have continued our support of small business. It will continue to be at the core of our support as we believe that it underpins the Australian economy. It is a segment within the Australian community and economy that will continue to drive growth into the future and will continue to employ young Australians. It is very much worthy of our support. We guarantee our continued support of that sector.

I again thank those who have participated in this debate, and I commend the bill to the House.

Mr Fitzgibbon—Mr Deputy Speaker Wilkie, I invite the minister to table his unpublished small business editorial piece.

Mr Dutton—Mr Deputy Speaker, this is an article that is coming his way soon, so wait and see.

Question agreed to.

Bill read a second time.

Third Reading

Mr DUTTON (Dickson—Minister for Revenue and Assistant Treasurer) (1.10 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

WHEAT MARKETING AMENDMENT BILL 2006

First Reading

Bill received from the Senate, and read a first time.

Second Reading

Mr McGAURAN (Gippsland—Minister for Agriculture, Fisheries and Forestry) (1.11 pm)—I present the explanatory memorandum to the bill and I move:

That this bill be now read a second time.

Since the government earlier this week—indeed, only 48 hours ago—announced its intention to introduce amendments to the Wheat Marketing Act, there has been a great deal of public commentary. Indeed, those with a direct or even an indirect interest in the issue of wheat marketing could not fail to understand both the content and the importance of the bill that is now before the House. This would especially be the case following its introduction in the Senate yesterday, where there has been an informed and relatively lengthy debate on the bill that is before the House. Many of the issues of vital public concern, especially to wheat growers, have been well canvassed and publicised. In other words, the House is considering the Wheat Marketing Amendment Bill with a degree of background, public discussion and debate that is somewhat unusual.

For that reason, and given the time constraints, I will curtail the second reading speech that I would have presented under normal circumstances, especially given that it would reflect, in almost exact detail, the second reading speech already delivered by my representative minister in the Senate.

I will highlight a couple of key points. The changes are not intended to pre-empt or pre-determine any long-term policy considerations by the government, nor does the gov-

ernment intend to hold the veto in the long term. The movement of the veto does not represent a change to the Australian government's single desk policy. Instead, the vesting of the veto transfer from AWBI to the minister is in response to the particular set of circumstances that confront the wheat industry and therefore the government. These are temporary measures and will allow the government to undertake thorough consultation with a range of stakeholders, particularly with growers, in relation to wheat marketing arrangements for the long term.

These temporary arrangements are also intended to address the uncertainty caused by the ongoing debate as to short-term, medium-term and long-term arrangements for wheat marketing. This has to take place, naturally, with regard to the consideration of the long-term wheat marketing arrangements, in light of the Cole inquiry.

The government will honour its previously expressed commitments to consult thoroughly and widely with wheat growers, whose interests above all else are paramount in this debate. It may well be that a number of different agendas by individuals or organisations or even political parties can be identified and speculated upon. But no-one should lose sight of the fact that it is wheat growers' interests and the national interest which are the dominant interests at stake here. The minister's decision in exercising or declining to exercise a veto will be based on the broad consideration of the public interest, and naturally having in mind obligations under the World Trade Organisation, the WTO, in exercising these powers.

I will draw my remarks to a close to allow as many members as time will permit to contribute to the debate. This is of incredible economic and even social importance to wheat growers and their families as well as rural communities and even the national

economy. Wheat is one of the great agricultural industries and export earners for this nation. The Australian government's principal concern is for the industry and for individual as well as collective Australian wheat growers. To this end, we are committed to working with the Australian wheat industry to secure the best outcome for Australian wheat growers. I commend the bill to the House.

Leave granted for second reading debate to continue immediately.

Mr CREAN (Hotham) (1.16 pm)—The fact that we are debating here today these rushed amendments, in the Wheat Marketing Amendment Bill 2006, to the Wheat Marketing Act is a clear admission of failure by the Howard government to properly manage Australia's export wheat marketing arrangements in the interests of growers and of the nation. Until now, the single desk for the marketing of our wheat had stood the test of time and had served growers well for more than 60 years. A decade ago the Australian Wheat Board was seen as an organisation with a first-class international reputation that operated with integrity and delivered Australian farmers a premium return for their product. That reputation now stands in tatters. Commissioner Cole has shone a spotlight on the AWB and has revealed a corrupt corporate culture characterised by excess and arrogance. It is a culture that has cost the taxpayer \$300 million—\$300 million paid in bribes to Saddam Hussein—

Mr Garrett—Shame!

Mr CREAN—bribes allowed under the government's watch to a regime it was committed to topple. Wheat for weapons. Shame, as the member for Kingsford Smith says. Shame indeed! This is a disgraceful outcome, and the government has not been exonerated. It was found not to have been corrupt, but that was never the charge. The

charge is negligence because that was allowed to happen under its watch. It should never have happened. In fact, through those bribes the Australian government became Saddam Hussein's best friend.

It is also a culture that has cost Australian wheat growers \$500 million in lost contracts so far. It is a culture which has seen the Australian Wheat Board shareholders lose half the value of their investments. And it is a culture which has exposed the Australian Wheat Board to potential future legal actions including: actions by wheat growers in the United States; a class action on behalf of B-class shareholders; action by the Australian tax office to recover tax forgone in respect of the illegal payments, the bribes paid by AWB; and a class action on behalf of some wheat growers seeking to recover performance bonus payments made by AWB International, the pool, to AWB Ltd. Industry estimates put the ultimate impact on AWB of just those cases—not the shareholder loss, not the bribes, not the lost contracts but those legal actions—at another \$1 billion dollars. Some management! Some scrutiny! Some rigour! And the government, particularly the National Party, come into this place saying that they have the interests of the growers at heart. If they had the interests of their members at heart, how did they allow this shambles to occur?

Mr Garrett—It's a disgrace!

Mr CREAN—It is an absolute disgrace—and the government want to lecture others about economic management. This is economic management under their watch. No wonder they want to get through this legislation quickly. They do not want any more light shone on it because it will expose them to the disgraceful administration that has led to this outcome—an outcome through corruption, an outcome through negligence.

Mr Windsor—Incompetence!

Mr CREAN—Well, let us go to the seeds of what created this, because it is incompetence on the part of the government. It goes back over a number of years, since the time the Howard government privatised the AWB back in 1998. It is now obvious that that structure that they oversaw was deeply flawed. Those responsible for putting that structure into place should now be apologising to every wheat grower in the country and every member of the Australian public.

To remind the House: it was the Deputy Prime Minister and his immediate predecessor who must accept prime responsibility for the development and carriage of the legislation that set up the current wheat marketing arrangements. It was the previous Leader of the National Party, the member for Gwydir, who did much of the early work in devising AWB's structure during his time as primary industries minister. It was his successor, the current Leader of the National Party, who was agriculture minister during 1998, who took much of the legislation through the parliament. They both now stand condemned for having failed to produce a structure for the privatised AWB that was robust enough to maintain its reputation as a company worthy of the trust of the international marketplace and of Australian wheat growers.

It was in fact a succession of National Party agriculture ministers, including the current Deputy Leader of the National Party, that failed to ensure that the Wheat Export Authority did the job it was set up to do. When in government, the National Party gave a Corporations Law company, AWB, a legislated monopoly. They took the monopoly from a statutory body and gave it to a privatised body. The National Party had a clear duty to put in place a mechanism to ensure that the monopoly power was not abused. What was needed was a real watchdog, but instead of a Rottweiler they produced a Chihuahua. That is what happened:

the Wheat Export Authority was pathetic in terms of its scrutiny. On paper, the Wheat Export Authority has extensive powers to oversee AWB's management of the single desk. In practice, it was a complete flop.

In the five years that he was agriculture minister, the current Deputy Leader of the National Party did nothing to ensure that the Wheat Export Authority was doing its job. During those five years, the Wheat Export Authority—despite having the power to look at every contract and to demand a look at every document—completely missed AWB's involvement in the wheat for weapons scandal. Even when the evidence was mounting and articles about the possible involvement of the AWB in sanctions busting were starting to appear in the press, all the Wheat Export Authority did was to ask the AWB if it was doing the right thing. When the AWB said, 'Yes, everything is above board,' the Wheat Export Authority just went back to sleep.

The minister responsible at the time, Minister Truss, was asleep, too. But in the minister's case it is even worse, because he effectively condoned these activities back in March last year when he was asked about the wheat for weapons, the bribes and the kickbacks. This is what Minister Truss had to say:

But even if the Australian Wheat Board was paying commissions for wheat sales in Iraq, that would not cause any great worry.

That is what the minister said. He went on:

... if ever there were any kickbacks to the Iraqi regime, then I guess they would end up with the government. So that is not terribly unusual.

Not only was he asleep at the wheel; he was also prepared to condone this as normal practice. It is an absolute disgrace and the government stands condemned. Did they ever direct the authority to vigorously investigate

the allegations that were flying around at the time? Of course not.

I went through that to talk about the problems. But I also want to contrast all that to the way in which Labor when it was in office administered and discharged its responsibilities in dealing with the single desk in very similar circumstances. When we were in office during the first Gulf War we had to deal with contracts of wheat to Iraq. The first Gulf War resulted in the United Nations sanctions—sanctions which the Wheat Board then set about corrupting, as seen in the most recent Cole inquiry revelations. Labor allowed no such rorting. Gareth Evans, the then foreign minister, insisted on his department satisfying itself that the sanctions were not breached by Australian companies—in other words, no bribes were paid.

Mr Forrest—No growers got paid, either.

Mr CREAN—He did his job. During the Gulf War, we ensured that the interests of the growers were also protected, and I take issue with the member who has just interjected, because some contracts were under risk. As minister for primary industries at the time, I announced a \$33 million ex gratia payment to grain growers. In office, Labor protected the integrity of the UN sanctions. But we also ensured grower interests were protected. That is what is called 'taking responsibility'. That is what a minister should do. Not this crowd; not this clutch of ministers; not this group, who were warned time and time again. In fact, if you read the Cole commission report, the Cole commission established that they were warned 35 times yet chose to investigate nothing. They were not only not proactive—in the way that Labor was when it was in charge in ensuring that sanctions were not breached—but also incompetent and negligent. The ministers did not fulfil their duties.

The department of foreign affairs failed big time. The Cole commission report is damning about the activities of the Department of Foreign Affairs and Trade. I will quote this point, which came out of the Cole inquiry:

... DFAT did very little in relation to the allegations or other information it received ...

The report goes on elsewhere to say:

DFAT did not have in place any systems or procedures in relation to how its staff should proceed in response to allegations relating to the breach of sanctions.

Damning indeed. But where does the buck stop? Should the government be able to get away with simply blaming its department? Should it be accepting any responsibility? Not this government. This government was asleep at the wheel and is now trying to crawl under a carpet and hide. So embarrassed is it that it will not take any responsibility. Now we have this half-baked measure, because it has to do something but it does not know what to do because the coalition parties are divided as to what the correct course of action should be. The buck stops with the ministers, and they cannot get away from the problems that they have caused.

It is clear that a succession of National Party ministers have let Australian wheat growers and the nation down badly. I ask this question: if the National Party—the old Country Party; the once proud Country Party—cannot stand up for wheat growers, who can they stand up for? They have let them down.

Mr Forrest—No.

Mr CREAN—Well may you shake your head in shame, member for Mallee. It is an absolute disgrace, and you know it. You do not deserve to continue your representation of them. You call yourselves their champions? You have let them down disgracefully. Australian wheat growers fund the operation

of the Wheat Export Authority through a compulsory levy—a tax. They have to pay for it and it did nothing. Don't you think you would be asking for something in return for your money?

The DEPUTY SPEAKER (Mr Wilkie)—Order! I remind the member for Hotham to direct his remarks through the chair.

Mr CREAN—I apologise, Mr Deputy Speaker, but this gets me very angry because it should not have happened. It did not happen under our watch. One would expect that the National Party, who have so often claimed to champion the interests of their members, would have looked after them but they have done no such thing. They have disgracefully let their members down and I hope that that will be remembered in full the next time their members come to vote.

Australian wheat growers feel terribly cheated and now they are being asked to expect the solution for the next six months to rest where? In the hands of another National Party minister for agriculture. Why should they hold such confidence? That is the question that I think has to be posed in this chamber. The truth is that we have no choice but to go along with this proposal in the interim. But why is it that the coalition government—the National Party in particular—knowing this damning report was going to hit them, have not after all that time been able to come up with a solution and measures to take them forward? These measures today are simply a stopgap and have been trotted out by a desperate government on the last day of parliament and in the shortest possible time in an effort to buy time while they figure out what to do next.

The bill effectively takes the single desk power away from the Wheat Board and gives it to the minister for a period of six months. It is obvious that the government does not

know what to do beyond that. We know that serious divisions have occurred within the coalition over the future of the single desk. I will never forget that wonderful interview between the member for O'Connor and Senator Joyce on *Lateline* one night. We were distracted by some other issues at the time, but this was pure diatribe against each other—and these are supposed to be people within the same coalition parties and with the collective interest of the nation at heart—a screaming match on national television, blaming each other, no solutions, diametrically opposed. And that is where the future lies?

Mr Tuckey interjecting—

Mr CREAN—And he is still at it. I hope he comes in; I hope he attacks again. This is a government that has overseen a shambles and is now a shambles itself in trying to arrive at a solution. The credibility of the National Party among its core constituency is at stake in this issue. The government cannot make up its mind about what to do with the single desk in the wake of the wheat for weapons scandal, so instead of decisive action we now have this stopgap measure. The Minister for Agriculture, Fisheries and Forestry spoke for about two or three minutes before scurrying out of the chamber. The person in charge of this issue—the future of the Australian wheat industry—is not even in this chamber for the short time it is taking to rush this legislation through. Why is he not here? He is ashamed. But worse, he will not take responsibility and he will not face the music.

This legislation transfers the single desk to the minister. The government will do a bit of consulting and hope that the way forward will become apparent during the next few months—a government without integrity, a government without a clue. The proposal is to transfer responsibility for the single desk

to a National Party minister—one of the clutch, the ongoing succession of this brilliant band of duds. This person is now being charged by the government and left with the authority through this legislation to look after the industry over the next six months. It does not inspire confidence and nor should it. The government have known for at least 12 months what the problem is and they have done nothing. The truth is that the Wheat Board, as it is currently structured, cannot be allowed to manage the legislated monopoly.

We on this side of the chamber have great misgivings about the process the government is putting in place. Transferring the single desk power to a National Party minister raises real concerns, but even more worrying is what is not in the bill. Where are we headed from here? What is the government's solution? What form will the consultation process that the government has talked about actually take? How can we be sure that all parties with a stake in the future shape of the wheat marketing authority will be involved? Vague statements and poor processes are not good enough. That is why Labor is proposing an amendment. I know that the member for New England is proposing an amendment too; I tried to talk to him about it before coming here. As I understand it, his amendment is in the form of leaving it to the growers to have a referendum of sorts. I might be misrepresenting that position and, if I do, I apologise. But our preference is really to give some teeth to the issues that the review process should consider. We need to assess these issues in the context of what has happened with the Cole inquiry. We have to pose the tough questions to get the answers that are needed to help guide us because we have no guidance from the government. The amendment effectively sets out what those issues should be.

The effect of this amendment would be to set in place a rigorous process that would

ensure that all aspects of export wheat marketing are subject to an independent inquiry. For the sake of the growers and for the nation it is essential that we get the structure of Australia's wheat marketing arrangements right this time. The National Party's record on these matters gives us no confidence—and I have gone through that litany of mistakes—that they will be capable of delivering arrangements that will stand the test of time. Their division and their inability to deal with this issue properly and come up with a lasting solution demands a rigorous independent inquiry.

The amendment we are proposing is similar to one we put before the House previously. Back in 2003, when the government was tinkering with the Wheat Marketing Act, we proposed this very course of action. I just wish the government had listened to us then. We hear the Prime Minister, whenever he gets into a crisis, talk about embracing bipartisanship. Why didn't they embrace it on this occasion and work with us to try to find a solution? We have some experience on this side of the House. We have known how to run successful operations in the primary industries portfolio. Personally, I have a great deal of experience with it. Why not draw on that experience instead of allowing this shambolic exercise to have occurred? It is a sensible approach; it was rejected then.

The wheat industry still provides the backbone of the economies of many communities around this country. Many regions are built around it. We have a responsibility to do the right thing in terms of fostering that industry. It is not only good for the communities; it is good for the nation as a whole. Wheat remains a significant export earner for this nation. In most years—although this is a tragic one because of the drought—more than \$5 billion in export earnings is gained from the wheat industry. Obviously the drought is having an impact this year, and

many communities in the wheat belts are going to suffer significantly.

The single desk has been central to our wheat marketing arrangements since 1939. Labor has always been a strong supporter of it. We went to the last election with a commitment to maintain the single desk as long as it was delivering a benefit to the growers and to the nation. We stand by that commitment. But, in the wake of the wheat for weapons scandal, it has become clear that the arrangements as they are cannot remain.

The Grains Council of Australia has recognised this and has produced a set of principles against which any future model for export wheat marketing arrangements can be judged. While Labor does not necessarily endorse all of these principles, each is worthy of consideration. The principles are:

1. Ownership and control by growers of the core element of the wheat export system,
2. Security of payment to pool participants,
3. Maximisation of net returns to pool participants through the development of efficiencies in the supply chain and through the development of an advantageous market position for Australian wheat and,
4. Having the highest levels of governance and transparency to ensure that the system is providing the best possible service and returns to pool participants.
5. The ownership of the 'single desk franchise' (the general exemption under the Wheat Marketing Act) should be separated from any organisation providing commercial services to the single desk.

That was a fatal flaw in the current structure. The final principle is:

Any contractual arrangements for the provision of services between the single desk owner and a commercial service provider should be both transparent and contestable.

We are dealing with what has been the greatest scandal in this country's history—a scandal of mammoth proportions and a scandal

that has major ramifications for the future of the wheat industry. We have to get it right for the future because we have got it so wrong under this government in the past. That is why the amendment that we are proposing seeks to put the rigour into the assessment that the government is failing to do itself. I urge the House to embrace the amendment and to use the period from now and over the six months during which this veto power is being transferred to the minister to actually get the system right. I foreshadow that I will be moving an amendment on behalf of the Labor Party during the consideration in detail stage.

Mr TUCKEY (O'Connor) (1.41 pm)—I hope that the member for Hotham will remain here for a moment because I, too, have a long memory. Of course, the reason we have this disaster on our hands today is that the Labor Party, I think back between 1984 and 1989, actually did a deal with the Grains Council by which the government no longer had a responsibility to underwrite wheat sales under the export monopoly but agreed to let a group of agripoliticians impose a two per cent farm-gate levy on wheat growers that became known as the Wheat Industry Fund. Whether intentionally or not, the member for Hotham approved it and told people that that was a fund supposed to offer restructuring for wheat growers when in fact, from the day it commenced collecting revenue, it was designed to allow the Grains Council people to get \$220,000 a year as chairmen of a corporate entity that was to be funded by that tax. What is more, at times it represented 25 per cent of the disposal income of wheat growers in my electorate. So for the Labor Party to say that they have not had a finger in this pie is untrue, but I will accept that the scandal that was exposed by the Cole inquiry started in 1999, after this government moved away from a government

controlled export monopoly to one controlled by a corporate entity.

Back in 1998 when clause 57(3C)—a clause that was in the original act that removed this veto entirely; it did not transfer it—was removed from the act, so the act now goes from 57(3A), 57(3B) to 57(3D), not one person in the Labor Party spoke about drawing the last pair of teeth from the chihuahua. Let me say that. Nobody over there spoke against it. I did. In fact, I threatened to sit in splendid isolation on the other side of the floor, opposing that removal. This chamber passed that section that said that the veto provisions would cease to exist on 1 July 2004. When it was brought back to this House, nobody opposed it bar me. So we do not want too much proselytising or pontificating from the Labor Party.

But on the other hand, because we are containing ourselves, I reject their proposed amendment to the Wheat Marketing Amendment Bill 2006 on the grounds that I have had enough of the past. Yes, I want an inquiry that will identify the road to the future, and I have worked assiduously for a year to modify the existing legislation to achieve that outcome. So rather than giving us that lengthy speech today, having been in possession of that legislation amendment, the member for Hotham might have told this House that they would support that as a principle which does one thing and one thing only: it returns the control of the export monopoly to the government authority and gives it the power, through the export licensing system, of making people behave. It removes the exemption that AWB has from the licensing system. It removes the exemption that AWB has from the Trade Practices Act.

If ever a piece of legislation was written to encourage corruption and exploitation, this stands as the best example that ever existed. The legislation that we propose cleans those

matters up, but does not cease the regulatory arrangements. I hope the opposition, if they are consistent with the rhetoric of the member for Hotham, would see that as a sensible proposal.

But what does this legislation do? Firstly, it transfers the veto power to the minister so that people, particularly in Western Australia, can get a fair price for their wheat. What else is proposed by the government? An appropriate consultation process. I have heard some horrifying rumours as to who might conduct that process. They are the people who should be giving evidence to the process, not deciding the outcomes from within. I am supported by one of my long-term adversaries, the Grains Council of Australia—the GCA—in that proposition. They have written to me and said, under the heading ‘Consultation Mechanism’:

An independent Task Group of three persons be established to drive the consultation process.

The Task Group to be chaired by an independent eminent person, preferably with a strong business background but not necessarily involved—

and I would say not by any means involved—

in agriculture.

They also believe:

The Task Group should be convened by the Prime Minister and report directly to the Prime Minister. The Prime Minister’s office should provide the Task Group with sufficient support and funding to meet the proposed timeline.

Now who could criticise that? Anybody who decides that there has got to be some sort of mates arrangement for those who would assess the consultation they received has my total opposition. The whole process has got to be that those, including myself and others, who wish to put a view, put a view. The people who assess that view must be independent of all of the prejudice, all of the myths

and all of those situations that surround wheat marketing today.

I want to put on the record to the minister—he is present in the chamber—that there are a number of us who would not tolerate anybody with a specific interest. I may as well argue that I did the consultation—I could give you the answer now, but that is not what we are proposing. Let everybody have a say, and let some people of integrity and people with experience come to that conclusion. That is most important.

In closing, let me say why the experiment of farmer ownership failed. It failed in the first instance because we created legislation that was in conflict with company law. As the directors of AWB have now told the Prime Minister, you cannot have a corporate entity and give it a responsibility to its customers; its responsibility is to its shareholders. If we are going to have a system of regulation, the regulator has got to be a government statutory authority with, in my view, a simple task: to control the export of wheat to maximise the financial return to growers. That would be a contestable issue. Of course, were it misapplied or dishonestly applied, the aggrieved parties from whatever direction could go to the judiciary through the Administrative Appeals Tribunal or whatever.

The other thing that is absolutely necessary is transparency. We are still arguing the case as to who should compensate growers who, by their own choice, have locked themselves into the AWB—gifted their wheat, as has been their practice. Nobody seems to think that the body to fix that is AWB Ltd. In the last 10 days, GrainCorp announced that this season it will lose \$20 million and its shareholders will bear the pain. But AWB says that, notwithstanding how little wheat there is around, its shareholders are entitled to nearly \$40 million for administration of half a million tonnes of wheat that, by its

own admission, has been sold already. What do they need the money for? They have sold it, and they have sold it at a discount. That is why they are in trouble.

The reality is that, if there is a problem for those growers, the simple solution is that AWB Ltd could say, 'Look, we don't want the \$30 or \$40 million; we'll carry the cost of administration against our own profits that we distribute to shareholders.' And/or they could release those people who have delivered of their obligation, and tell them they can take their wheat to someone else who is paying a better price. But to suggest that, for instance, the people who cautiously did not deliver their wheat to AWB should pay some sort of cross-subsidy to those who did is bizarre. Any other payment is a direct subsidy for the shareholders of AWB, of which less than 40 per cent today are farmers.

Would anybody stand in this place and suggest that the shareholders of HIH should be bailed out by the companies that took over their insurance liabilities? Who would do that? Why do we have a system that gives no more security to people who deliver to that company than to those people who had contributed over years with the aspiration of having a superannuation policy with HIH? The company went broke and they got nothing.

I will conclude my remarks because of the shortness of time and to give other members a say, but I want it understood that we are now aiming for the future. We have taken an interim measure. I do not want inquiries or dredging exercises into the past; I want the consultation process to be conducted as requested by the Grains Council of Australia and to be absolutely independent.

Mr ANDREN (Calare) (1.53 pm)—Before I begin my contribution, I want to make the point that the Wheat Marketing Amendment Bill 2006 is a crucial piece of

legislation that impacts on a major export industry in this country. I do not think that any of us should be forced in any way into truncating our comments during this debate, although I will keep mine as short as possible. It is an issue that warrants a close examination by this parliament before it is subjected to a vote, and that includes the amendments that have been foreshadowed.

I want to place on record some of the concerns I have received from growers within and outside my electorate about the likely impact on selling wheat of the demise of the single desk. I know this legislation is being presented as an interim and temporary measure, vesting the power of veto with the minister, but it is regarded as the thin end of the wedge by many growers for the government's eventual capitulation to those forces in the wheat trade, especially large global operators with their economies of scale, that can gazump our markets so effectively and that would want to destroy the combined clout that Australian growers obtained through the single desk.

The word I get from growers is that the predators want a share of the 16 per cent of the world market Australia enjoys—a market maximised by AWB International. The marketing advantages of the single seller have enabled Australia to maintain that market share. Wheat growers own all of AWBI and the majority regard that as their most important guarantee of a guaranteed price in a corrupted marketplace. AWB no doubt added to that corruption with the help of a see-no-evil government, but that is no reason to throw away our marketing advantage. That is what I am hearing from growers. I am advised that any alternative single marketing arrangement to that which currently exists would be instantly and successfully challenged at the WTO.

The minister says this bill introduces temporary measures to address the immediate concerns of Australian wheat growers. It provides for the temporary transfer of veto power for bulk wheat exports from AWB International to the Minister for Agriculture, Fisheries and Forestry until 30 June 2007. The minister in the other place said during his second reading speech that the bill is designed to:

... address current concerns in the industry about the wheat marketing arrangements, particularly in Western Australia where there is not the same range of domestic marketing options as there is in the eastern states.

However, these conditions existed long before the Cole inquiry. There are many growers highly suspicious of the catalyst the Cole inquiry has given for the break-up of the single desk, albeit through this temporary arrangement involving the minister holding the veto for six months. The minister in the other place said these temporary measures would allow:

... the government to undertake thorough consultation with a range of stakeholders, particularly with growers in relation to wheat marketing arrangements for the long term.

The Deputy Prime Minister seemed to avoid consultation with growers when he answered a question in this House from my colleague the member for New England during the week. The honourable member will be introducing an amendment to this legislation to absolutely ensure that growers are not only consulted but listened to and that their views are taken into account by way of a vote on their feelings about any change to the single desk. I would expect every member to support that amendment, particularly those National Party members who claim to be supportive of retaining the single desk.

We are told that under this legislation the minister will have power to make a decision on bulk wheat exports based on the public

interest. This is a vague term indeed, and most growers doubt that, with the door now open to the dismantling of the single desk, this power will mean anything other than the interests of non-pool sellers. Let the National Farmers Federation and the New South Wales Farmers Association swing in behind their members and not buckle to the demands of the local and international operators like Cargill or those other opportunistic players in the market. Eighty per cent of growers want the market advantage of the single desk. It is the envy of our competitors, and that is why they want it dismantled.

I have an open mind on just how a single desk should be structured. The previous speaker gave some indication of his views on an authority that should be put in place to handle wheat sales. Perhaps a stand-alone authority is the sort of structure that is required. But I know one thing: the removal of AWB's veto suits this government down to the ground, despite the protestations of most growers. This is a free-market issue for the government, not a fair market one. It has already conveniently pleaded ignorance of corruption in the Iraq market and no doubt is about to surrender the advantage of critical mass through a common pool and single desk to a free market that is corrupted by the enormous subsidies available to our competitors, particularly the US, who have the temerity to challenge our attempt to maximise returns to growers.

The alleged commitment of this government to the single desk has always bemused me and many growers. How does it fit in with the red-hot free-market instincts of the Treasurer and the Prime Minister? It did not and was an irritation that the government knew it could not get rid of until—surprise!—a scandal came along that has allowed the government to get off the hook. That is what this eventually is all about. The Prime Minister said:

You couldn't get a proper outcome while the veto lay with AWBI because AWBI was not only, how shall we put it, a player, but was also the holder of the veto.

By this logic, why did AWB International ever hold the veto power?

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

QUESTIONS WITHOUT NOTICE

Health

Mr RUDD (2.00 pm)—My question is to the Prime Minister and relates to the ongoing blame game in our health system. Is the Prime Minister aware that, on any one night in Australia, there are an estimated 1,684 people in public hospital beds who should be receiving aged care treatment? Prime Minister, isn't it the case that the cost to our health system is more than half a billion dollars every year and that these costs are in fact increasing as time goes by? Prime Minister, when will you stop playing the blame game and take responsibility for the cost shift and blame shift which is affecting the care of older Australians?

Mr HOWARD—In reply to the Leader of the Opposition, my assertion is that we are not playing the blame game. We seem to have had a new mantra in Australian politics in the last week, and that is: you are never allowed to say anything critical of state government because they are all Labor; it is perfectly in order to criticise the federal government. However, if the Leader of the Opposition does not believe me when I say that the Commonwealth and the states are cooperating appropriately, he might believe the person who said the following thing on 14 July 2006:

Prime Minister I think it's fair to say that the meeting today, and even indeed the informal discussions at The Lodge last night, show cooperative federalism in action. And I agree with my colleague from Victoria, those who seek to denigrate this relationship don't understand it. Cooperative federalism is producing results for Australia, and indeed this relationship between the States and the Commonwealth is probably the best in Australia's history ...

Those were the words of Peter Beattie, the Premier of Queensland—

Opposition members interjecting—

Mr HOWARD—Yes, I worked with him. He is not a bad bloke to work with. Our politics may be different, but when the interests of Australians living in Queensland are involved he and I can work together in a very cooperative fashion. This is what he had to say:

On other issues, in terms of health, I'm absolutely delighted with the Prime Minister's offer to the States to provide additional doctors. It means an additional 150 training places in Queensland and I won't go through the nurses and allied health professionals, but that is a significant advance for skilling Australians to actually look after Australians.

But he got even more lyrical as the press conference wore on:

... we have cooperative federalism, we put party politics aside and work in the interest of Australia. For those who seek to undermine it, I just simply say look at the outcomes today and anyone with half a brain will fully support it.

Let me say to the Leader of the Opposition: have half a brain; stop undermining this cooperative federalism.

Bushfires

Mrs MIRABELLA (2.04 pm)—My question is addressed to the Prime Minister. Would the Prime Minister advise the House what support the Australian government is providing to communities impacted by the

current bushfires, particularly in my electorate of Indi?

Mr HOWARD—I thank the member for Indi for that question. It goes to something which is of very great concern to me and to Australians living in Victoria. I think we are aware that the situation in Victoria is very serious indeed, with up to 37 fires burning in north-east Victoria and Gippsland, and up to 50 in Victoria more generally. Earlier today I rang the Victorian Premier, Mr Bracks, and offered any additional Commonwealth assistance that Victoria might stand in need of. He has indicated that he will be writing to me today in relation to some additional assistance from the Australian Defence Force.

I am advised that the Attorney-General has approved a request by the Victorian government for assistance in controlling the Victorian bushfires, and this consists of a fuel tanker and a crew to supply diesel to water tankers and machinery such as bulldozers in the Mansfield-Whitfield region. Earlier, in my absence, the Acting Prime Minister wrote to the Premier of Victoria, assuring him that the Australian government is ready to provide any assistance which Victoria might stand in need of.

These bushfires are very serious indeed, and I understand the anxiety of the member for Indi and other members in this place representing those parts of Victoria where the fires are burning fiercely. I want the people of Victoria to know that the Commonwealth will stand side-by-side with the government of Victoria. We will provide any additional assistance that the Premier needs, and the two of us will continue to be in close and cooperative contact to make certain that the right response is given to help the people of Victoria.

Mr RUDD (Griffith—Leader of the Opposition) (2.06 pm)—On indulgence, I express the opposition's appreciation for the

support of the Commonwealth to the state government of Victoria in dealing with this current crisis. Bushfires are a terrible thing. They affect people's lives enormously, and we appreciate the level of cooperation shown on this between the two levels of government.

Water

Ms GILLARD (2.07 pm)—My question is to the Prime Minister. Does the Prime Minister recall stating, in February 2006, that fixing the ailing Murray River was at the top of his agenda and that he would 'put a bomb under the process'? Prime Minister, why has the government refused to use one cent of its promised \$700 million to buy water rights from willing sellers to get water into the Murray? Prime Minister, when will you stop blaming the drought and take responsibility for national leadership in the water crisis?

Mr HOWARD—I do not know whether I have misunderstood the question, but I thought the Deputy Leader of the Opposition asked me why we would not spend any of this money to buy back water. I thought we had issued a tender—

A government member—Yes, we have.

Mr HOWARD—We had. I thought in fact we had done the very thing you had asked us to do. I might also tell the Deputy Leader of the Opposition that in the last budget, after I had made that statement, we put another \$500 million into the Murray-Darling Basin. The reality is that this government has provided more money to solve the problem of the Murray-Darling Basin than we ever agreed to do in discussion with the states. The original arrangement was that we would put a couple of hundred million dollars in and the states between them would put \$300 million in, but the Treasurer announced in the budget of May of this year that over and above that we would put another \$500 million in. The Parliamentary

Secretary to the Prime Minister, the member for Wentworth, announced the tender to buy back the water some weeks ago. I suggest the Deputy Leader of the Opposition do a bit of research.

Workplace Relations

Mr ANTHONY SMITH (2.09 pm)—My question is to the Prime Minister. Would the Prime Minister update the House on the latest Australian Bureau of Statistics release on industrial disputes? How do these results compare with previous results and are there any proposals which would threaten these results?

Mr HOWARD—I thank the member for Casey for asking me a question about industrial disputes on a day on which the families of Australia, via the latest employment figures, have been given a wonderful Christmas present. I can say, as I lead into the answer, that we have maintained our 30-year low in unemployment and that almost 200,000 jobs have been created since the introduction of Work Choices. I can tell the member for Casey that today's ABS data on industrial disputes reports the lowest results ever recorded of industrial disputation in this nation. In the September quarter the ABS recorded industrial disputes at 2.3 working days lost per thousand employees. The June quarter, which had also been a record low, was recorded at 3.2 working days lost per thousand. This compares to the last full quarter under the opposition's system of 43 working days lost per thousand employees—43 versus 2.3. That is a 92 per cent reduction in industrial disputes since Labor and the unions' system of industrial relations was changed by Peter Reith and this government in 1996. Labor's record dispute quarter came in December 1992. Despite the anaemic state of the labour market and the still very high level of unemployment in 1992, the figure was 104.6 working days lost per thousand employees.

But if you drill down you find that the most interesting figure was the absolutely stunning result in the building and construction sector, a sector which an earlier Cole royal commission found to be plagued by thuggery and intimidation. The House will be fascinated with these figures. The industrial dispute figure for the building industry in the September quarter of 2005—that was the last quarter prior to the introduction of the building industry laws—was 37.4 working days lost per thousand employees. That was September of last year, before the new laws in the construction industry came into effect. Today's release for September of this year showed only 1.6 working days lost per thousand employees in the building and construction industry.

So in a year, as a result of our reforms, which the Labor Party fought every inch of the way, we have gone in the building and construction industry from 37.4 working days lost per thousand to 1.6. That is a stunning result and it is a direct consequence of the laws we changed. We have not only decimated the number of industrial disputes but reduced the cost of building and construction. I say to the opposition that, in light of all of this, it is economic lunacy to propose rolling back those laws, yet the unions tell you you must and you will, just as it is economic lunacy to propose rolling back the Work Choices laws which so far in seven months have seen almost 200,000 more Australians put in work and 200,000 happier Australian families this Christmas.

Economy

Mr RUDD (2.13 pm)—My question again is to the Prime Minister and is also on the economy. I refer the Prime Minister to his target to achieve average economic growth of more than four per cent during the decade. Prime Minister, with non-farm GDP reaching just 2.6 per cent over the last year

and zero productivity growth over the last 2½ years, is it not implausible to blame the drought, as you did yesterday, for the government's failure to come anywhere near its growth target?

Mr HOWARD—That is not what I said. The Leader of the Opposition is trickily slipping into misrepresentation. What I did say yesterday was that the drought had obviously had an impact on wetlands. I was asked a question about wetlands by somebody up there. I think it may have been the member for Melbourne Ports. He is nodding his head. I remember his question well. And I was asked a question about the national accounts. Obviously the drought has had an impact, but, if the Leader of the Opposition wants to get into a comparison of economic performance over the last 10½ years, bring it on.

Employment

Mr BAIRD (2.15 pm)—My question is addressed to the Treasurer. Will the Treasurer outline to the House the results of the November labour force survey? What do these statistics indicate about the success of the government's economic policies? Are there any other views?

Mr COSTELLO—I thank the honourable member for Cook for his question. Today we had the release of the labour force figures for the month of November. Those figures showed that in the month of November, the month just gone by, in Australia there were 57,400 new full-time jobs created. That is extraordinary jobs creation. After allowing for a fall in part-time employment, overall employment increased by 36,200 persons. If we go back over the nine months or so since Work Choices, there have been 200,000 new jobs created in Australia. If we go back to—

Mr Gibbons—How many were created by the state governments?

Mr COSTELLO—The member for Bendigo asked, 'How many of these were created by the state governments?' Talk about the blame game. I thought you were against trading off the federal and the states? Oh, sorry, you would have voted for Kevin Rudd. I am sorry. You were not part of it. If we go back over 2006, we have had 250,000 new jobs created in Australia—a quarter of a million. I want the House to think back to the crowd at the MCG protesting about Work Choices. There were 40,000 people there. Imagine that 40,000 people in the MCG and now imagine six times that number, because six times that number is the number of people that have found work in the last year. Over the course of the 10 years of this government, there have now been 1.95 million new jobs created.

Seeing as the Labor Party are so concerned about the blame game, they would have been terribly concerned about an article in today's *Daily Telegraph* written by Michael Costa. It says, 'Costello's inflated policies hurting NSW'. No doubt the Leader of the Opposition will be straight on to him and say, 'Mr Costa, we don't play the blame game in the Labor Party.' We have 1.95 million new jobs and 10 years of economic growth, we survived the Asian financial crisis, we survived the tech wreck, we survived the US recession—

Mr Tanner interjecting—

The SPEAKER—The member for Melbourne is warned.

Mr COSTELLO—We survived the one-in-100-year drought.

Mr Tanner—What are the states' responsibilities for setting interest rates, Pete?

Mr COSTELLO—I know you are auditioning for shadow Treasurer. And you have one thing going for you—you are not a female. Females are not doing too well in this shadow ministry. Look at all of the suits, Mr

Speaker. I think it was the member for Throsby who complained—

Mr Griffin interjecting—

The SPEAKER—Order! The member for Bruce will remove himself under standing order 94(a).

The member for Bruce then left the chamber.

The SPEAKER—Order! The level of interjections is far too high.

Mr COSTELLO—The New South Wales Treasurer came out with this little gem yesterday. He called on the federal Treasurer, Peter Costello, to prevent the Reserve Bank from increasing interest rates. He said, ‘The federal government has the power to intervene against the RBA and, as I have said on many occasions, he ought to exercise that power.’ I called this one of the great feats of economic ignorance—saying that the federal Treasurer, the federal government, ought to undermine the integrity and independence of the Reserve Bank, which has been one of the cornerstones of Australia’s economic policy over the last 10 years. There you have the New South Wales Labor Treasurer, who does not support the independence of the central bank, who has called for federal government intervention and who does not understand how monetary policy is conducted in this country. The Labor Party never supported the independence of the Reserve Bank when they were in office. It was one of the great economic reforms that we put in place in 1996. We will not be moving off it. We will not be giving in and surrendering that important plank of economic policy. It ill behoves anybody in the Labor Party to be arguing to the contrary.

DISTINGUISHED VISITORS

The SPEAKER (2.20 pm)—I inform the House we have present in the gallery this afternoon the Hon. John Johnson, a former

President of the New South Wales Legislative Council. On behalf of the House I extend to him a very warm welcome.

Honourable members—Hear, hear!

QUESTIONS WITHOUT NOTICE

Reserve Bank of Australia

Mr RUDD (2.20 pm)—My question is to the Prime Minister. It refers to the Treasurer’s last answer on the question of the independence of the Reserve Bank. Is the Prime Minister aware of the following comments made by former Reserve Bank Governor Ian Macfarlane on the independence of the RBA, who said:

... if you wind the clock back not that far, for example to the Fraser government, under the Fraser government, all the decisions on monetary policy were made by the monetary policy cabinet.

... ..

With the governor sitting outside, most of the time, to hear the news. So the change from that state of affairs to the state of affairs under Paul Keating as treasurer and Bernie as governor, was a very big move in the direction of independence, compared to what had proceeded it.

Prime Minister, is it not a fact that you were the Treasurer of Australia at that time, when the Reserve Bank had no independence whatsoever, and you presided over interest rates of 22 per cent?

The SPEAKER—Order! Before I call the Prime Minister, I remind the Leader of the Opposition that he should direct his questions through the chair and not use the word ‘you’.

Mr HOWARD—It is true that under the Fraser government the Reserve Bank did not have the independence it has now. That is right, and I think that was a bad policy. That is why when the present government came to power we changed it. But the Leader of the Opposition has forgotten about the Treasurer and later Prime Minister who was interspersed between the Fraser government and

the Howard government, and that was a bloke called Paul John Keating. When he was asked about the independence of the Reserve Bank he said: 'Oh, don't worry. I've got the Reserve Bank in my pocket.'

Opposition members interjecting—

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

The Drought

Mr FORREST (2.22 pm)—My question is addressed to the Deputy Prime Minister and Minister for Transport and Regional Services. Would the Deputy Prime Minister update the House on how regional communities are responding to the challenges of the drought and longer term water planning, particularly in my electorate of Mallee?

Mr VAILE—I thank the member for Mallee for his question. Obviously the drought that is affecting so many parts of regional Australia is having a severe effect on many of those farming communities and the broader community. Of course, fundamental to that is the way that we manage our water resources in Australia. As the member for Mallee knows, the Constitution places responsibility for water planning and provision with the state governments. But, as has been indicated on many occasions in here as well as today, the federal government is shouldering a fair share of the responsibility in this regard. Thanks to a lot of the hard work that was done by the member for Mallee and in particular the member for Gwydir, the Australian government has taken a leadership role in putting together the National Water Initiative.

We have had \$2 billion worth of programs under the National Water Initiative, and the area the member for Mallee represents is, of course, one of the early recipients of one of those programs: the \$167 million that we allocated towards the Wimmera-Mallee pipeline. That is a pipeline not for irrigation wa-

ter but for stock and domestic water in the Wimmera-Mallee area in Victoria, where they are in the grip of a severe drought. When that work is completed—and it has started—it will save 83,000 megalitres of water every year. Every year, 83,000 megalitres of water will be saved because of the investment that has been made in the Wimmera-Mallee pipeline. It provided those communities with certainty to plan for the future. This is the critical issue that farmers and particularly irrigators require, particularly from the state governments, who manage the water systems. They need certainty and accurate information so that they can plan.

In New South Wales the state government has taken a couple of decisions that have made it very difficult under extreme circumstances for irrigators in New South Wales to plan. It cut New South Wales irrigators' carry-over water entitlements. Carry-over water entitlements are one of the highest security water products available in New South Wales. Initially the government said to irrigators: 'We're going to cut them by 20 per cent. We are going to cut your carry-over entitlement by 20 per cent.' So managing their businesses, irrigators went out and planted their crops on the basis of the information made available. Then after they had invested in planting the crops, the New South Wales government said, 'No, we are going to cut them by a further 32 per cent.' So the sunk cost of planting the crop has been lost, and it has exacerbated the impact of drought with those irrigators in New South Wales. They are not just asking for more water; they are asking for better information and better planning of the water system.

We continue to hear in the debate about the impact of drought about what irrigators are doing and that they are irresponsible people. There is an interesting statistic out,

and that is that rice growers have improved their water efficiency by 80 per cent. They have improved their use of water by 80 per cent with new technology. The same question could be asked of many of the state government utilities who use water: whether they can improve their water efficiency by 80 per cent.

It is important, in looking at this issue and this problem of better management of our water resources, that everybody shoulders their fair share of the responsibilities—our level of government, state governments and certainly industry. It is about getting timely and accurate information so proper business decisions can be made. Better management of our water resources is certainly in the interests of regional Australia, and better water management across the nation is certainly going to be vital for the future of our nation.

Iraq

Mr RUDD (2.27 pm)—My question, again, is to the Prime Minister. I refer to the report of the Iraq Study Group, headed by former US Secretary of State James Baker, which concludes:

Current U.S. policy is not working ... Making no changes in policy would simply delay the day of reckoning at a high cost.

Does the Prime Minister agree that current coalition strategy in Iraq has failed?

Mr HOWARD—I thank the Leader of the Opposition for the question. I welcome the publication of the report of the Baker-Hamilton commission in relation to Iraq. The contents of that report are largely to be said to be predictable. It certainly said words to the effect of those said by the Leader of the Opposition. But it also said a number of other things. For example, it said the following:

... we believe it would be wrong for the United States to abandon the country through a precipitate withdrawal of troops and support.

Can I say that again:

A premature American departure from Iraq would almost certainly produce greater sectarian violence and further deterioration of conditions, leading to a number of the adverse consequences outlined above. The near-term results would be a significant power vacuum, greater human suffering, regional destabilization, and a threat to the global economy. Al Qaeda would depict our withdrawal as a historic victory. If we leave and Iraq descends into chaos, the long-range consequences could eventually require the United States to return.

They are not my words or Alexander Downer's words. They are the words of James Baker and Lee Hamilton, from a bipartisan commission of inquiry.

Of course the United States is looking at reworking its tactics but, as I have said before and I will say again—

Mr Bevis interjecting—

The SPEAKER—Order! The member for Brisbane!

Mr HOWARD—The words I have used in the past are very close to the words used by the Baker-Hamilton inquiry, 'a precipitate American withdrawal'—and that is Labor policy; the Leader of the Opposition leads a party which is advocating a policy that would produce, in the words of the very report referred to by the Leader of the Opposition—

Mr Edwards interjecting—

The SPEAKER—Order! The member for Cowan!

Mr HOWARD—

... a significant power vacuum, greater human suffering, regional destabilization, and a threat to the global economy.

It would produce a situation where:

Al Qaeda would depict our withdrawal as a historic victory.

Yet that is the policy of the Australian Labor Party. The Australian Labor Party cannot have it both ways: they cannot require immediate Australian withdrawal without morally acknowledging that if it is good enough for Australia to pull out it is good enough for the United States and the United Kingdom to pull out. The Leader of the Opposition is chained to a policy that would have the disastrous consequences outlined by the bipartisan report to which he has just referred.

Iraq

Mr JOHNSON (2.31 pm)—My question is to the Minister for Foreign Affairs. Would the minister update—

Mr Bevis interjecting—

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

Mr JOHNSON—Would the minister update the House on proposals to achieve the goal of a secure and democratic Iraq? Are there any alternative policies?

Mr DOWNER—First of all, as the Prime Minister has just said, we have been reading with a great deal of interest the work of the Iraq Study Group. They produced—

Mr Edwards interjecting—

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

Mr DOWNER—a 100-odd page report. We welcome the work of the Iraq Study Group. It is one of a number of reviews that have been undertaken. What is interesting about this issue is that the Iraq Study Group agrees with the goal articulated by the United States administration, by the British government and by other coalition partners, of which there are 27 including Australia. The goal in Iraq is ‘an Iraq that can govern, sustain and defend itself’. That is an entirely sensible and obvious, I would have thought, goal.

The Baker-Hamilton report makes 79 different proposals. They are all worth looking at seriously. I will identify one of those proposals, and that is that there should be increasing diplomacy with Iran and Syria. I can say that the Australian government has taken the view all along that it is important we maintain dialogue with Iran on a lot of issues but importantly on this issue. Indeed, just last week I spent half an hour on the telephone with the Iranian foreign minister, most of the time—not all of the time—discussing the issue of Iraq. Whilst the Australian government is much in favour of further diplomacy with Iran and Syria, it has to be said that our hopes are not high for what that can achieve. Nevertheless, we see it as a useful initiative but one that you would have to be heroically optimistic to believe is likely to achieve a significant change.

Next week the defence minister and I will be in Washington for the annual AUSMIN talks with our American counterparts. This will be an opportunity for us to further discuss, amongst other issues of course, the question of Iraq. As difficult as the situation is in Iraq, and especially in and around the Baghdad area, it is important to succeed in Iraq. It is also important to do something else, and that is to take into account the wishes of the Iraqi people. Some people set themselves up as greater judges than the Iraqi people. There are two things that the Iraqi people want. One of the things they want is to be rid of Saddam Hussein, and we helped them get rid of Saddam Hussein, and they do not want him back. The second thing they want is the international presence in Iraq for as long as necessary. Their own domestic security forces, particularly their army, are unable to handle security effectively enough themselves. It was never the object of the coalition to colonise Iraq; it was always the object of the coalition to set up a

situation in Iraq where a democratic government would be able to sustain itself.

The Iraq Study Group of course reinforces these very arguments. I know the Prime Minister has mentioned this already but it is worth repeating: the Iraq Study Group, which the Americans would say is a 'cross-aisle' group, includes Democrats and Republicans. A lot of people said that the election of a Democrat majority in the American Congress would mean the United States would just quit Iraq. This cross-aisle study group, this bipartisan study group, say that there were some ideas that the group explicitly rejected. They said that they did not 'recommend a precipitous withdrawal of troops because that might not only cause a bloodbath, it would also invite a wider regional war'. They are the words of Democrats and Republicans. They are the words, if I may say so, of people who have studied this issue in even greater detail than the Australian opposition.

When we are asked if there are alternative policies in a difficult situation, our answer is that there is the Leader of the Opposition's policy, which is to haul up the white flag and surrender, and there is the Australian government's policy which is not to surrender but to stand by the people of Iraq for as long as they want us to do so to ensure that a democratic government in Iraq which has successfully been elected is able to survive in the teeth of insurgents and terrorists.

Iraq

Mr RUDD (2.36 pm)—Further to my previous question to the Prime Minister, I ask: why is the Prime Minister the only world leader to refuse to accept the Baker committee's conclusion that current coalition policy in Iraq is not working?

Mr HOWARD—The Baker-Hamilton commission, as both the foreign minister and I have pointed out, came to a number of con-

clusions. One of those conclusions is that the policy of the person who just asked me the question would lead to a bloodbath in Iraq.

Families

Mr BARRESI (2.37 pm)—My question is addressed to the Treasurer. Would the Treasurer inform the House of the latest ABS statistics on births and fertility rates? What policies has the government put in place which have helped families in my electorate of Deakin and right across Australia? Why is this important for the future?

Mr COSTELLO—I thank the honourable member for Deakin for his question. The Australian Bureau of Statistics released its demographic statistics for the June quarter 2006, which showed that in the year to June 2006 264,287 births were registered—a 3.3 per cent increase over the year before, and the highest number of births since 1971-72. That is the highest number of births in over 30 years. In addition, the total fertility rate, which is the number of live births per female over their reproductive life, rose from 1.78 to 1.83—the highest fertility rate in 11 years.

It is something to be welcomed by all Australians that the number of births has increased, and the fertility rate, which had been falling continuously since 1961, has actually bottomed and turned. We would be one of the few countries in the industrialised world—

Mr Albanese interjecting—

The SPEAKER—Order! The member for Grayndler!

Mr COSTELLO—which has actually had an increase in their fertility rate. I would encourage all Australians, as I have previously, to have one for mum, one for dad and one for the country, because it is a great response to—

Mr Albanese interjecting—

The SPEAKER—The member for Grayndler is warned!

Mr COSTELLO—the way in which the fertility rate has been declining. As we have focused Australians' attention on the importance of the fertility rate, as we have focused Australians' attention on the challenges of the ageing of the population, many people have changed their attitudes towards having a family, and I think that is a good thing. We should not overstate these changes. The replacement fertility rate is 2.1, so we are still substantially below that replacement rate. But unlike Europe, Japan and many other industrialised countries, ours is ticking up and not ticking down.

I also believe that the government's policies in relation to families have been very important. I refer to the provision of extra childcare places, the introduction of the childcare rebate, the introduction of the maternity payment or baby bonus, and of course the increases in the rates of family benefits. Let me remind members of the House of this: every year, a payment of \$600 per child per annum is received by the families of Australia. If you have two kids, it is \$1,200; for three kids, it is \$1,800—in a lump sum. Let me remind the House of one other thing: that is real money. It goes into the bank account; it comes out of the bank account. It can be used in exchange for goods and services. It is real money. You can even take it in cash.

We know that there were suggestions from the Labor Party, from another one of the frontbenchers auditioning to be shadow treasurer at the moment, the member for Lilley, that this money did not exist. The families of Australia know differently. They get it per child per annum—real money to help them with the costs of raising children in this society.

Iraq

Mr RUDD (2.42 pm)—Further to my two previous questions to the Prime Minister, why is the Prime Minister the only world leader who refuses to accept that current coalition policy in Iraq is not working?

Mr HOWARD—It is a bit rich for somebody who is in favour of it not working asking such a question. I have indicated on numerous occasions that I wish the operations were going differently. I have said repeatedly that there is a case for reworking some of the tactics. But the fundamental position of the government is starkly different. What the opposition wants is a course of action in Iraq which would produce the very bloodbath and descent into further disaster to which the Baker commission drew attention. What the Leader of the Opposition must face—

Mr Edwards interjecting—

The SPEAKER—Order! The Prime Minister will resume his seat. I have warned the member for Cowan. He continues to interject. He will remove himself from the House under standing order 94(a).

The member for Cowan then left the chamber.

Mr HOWARD—In the past few days the Leader of the Opposition has been talking a great deal about the need to articulate policies, the need to be positive, the need not to nitpick or to engage in a thing that he has loosely called the blame game. Let me say to the Leader of the Opposition that what he is required to do is to accept the inevitable consequences of the policy that he is advocating in relation to Iraq. The inevitable consequence of that policy was lucidly set out by James Baker and Lee Hamilton in their report, and it is all negative so far as the Leader of the Opposition is concerned.

Private Health Insurance

Mr BARTLETT (2.44 pm)—My question is addressed to the Minister for Health and Ageing. Would the minister advise the House how many Australians hold private health insurance, particularly in my electorate of Macquarie? What steps is the government taking to make private health insurance even better? Are there any alternative policies?

Mr ABBOTT—I do thank the member for Macquarie for his question and I appreciate that he is asking it on behalf of the 57,000 people in his electorate who benefit from the choice and security that private health insurance brings. Let me make it very clear that support for private health insurance is one of the signature policies of the Howard government. Thanks in large measure to the private health insurance rebate, the number of Australians covered by private health insurance has risen from six million to nine million, including more than one million Australians earning less than \$20,000 a year. I can inform the House that in the September quarter an additional 82,000 people took out private health insurance. This is the fifth successive quarterly increase in private health insurance numbers, and in the last quarter that included 29,000 people aged under 25. These people can only afford private health insurance because of the Howard government's private health insurance rebate, because without that rebate the average family's premiums would increase by a thousand dollars a year.

We still do not know who the next shadow minister for health will be, but we do know that every single one of the frontbenchers opposite hates the private health insurance rebate and wants to rip the guts out of private health insurance.

Opposition members interjecting—

Mr ABBOTT—Oh, yes! Listen to their words, Mr Speaker. We have the member for Jagajaga, the current failed shadow minister for education, who described the private health insurance rebate—

Mr Danby interjecting—

The SPEAKER—The member for Melbourne Ports is warned!

Mr ABBOTT—as 'the worst piece of public policy in Australian history'. We have the member for Perth, the current failed workplace relations shadow minister, who called the private health insurance rebate a 'public policy crime' and canvassed its abolition. We have the would-be shadow Treasurer, the member for Melbourne, who called it 'one of the least efficient programs of all time'. And then of course we have the member for Lalor, the person who does not think she is up to being the shadow Treasurer, who invented Medicare Gold to try to destroy the private health insurance system. I say to the Leader of the Opposition: drop the blame game that you have been playing all week and show me your policies. Show me the policies! In particular, say where you stand on the private health insurance rebate which means so much to so many Australian families.

Immigration

Mr WILKIE (2.47 pm)—My question is to the Prime Minister. Is the Prime Minister aware that yesterday Senator Vanstone greeted a report on the wrongful detention of Australian kids with the claim: 'It was a good day for the government'? Is the Prime Minister also aware that on *The 7.30 Report* last night Senator Vanstone dodged responsibility for mismanagement of the Immigration portfolio no less than six times by blaming previous governments, ministers and the media? Does the Prime Minister accept any responsibilities for this: Cornelia Rau,

Vivienne Alvarez and the other cases of wrongful detention?

Mr HOWARD—It is in the nature of Australian politics, as it should be, that the head of government ultimately is accountable for the overall performance of the government. I have never sought to evade that responsibility. What is more, on three occasions since the initial election in March 1996, which was in part at least a judgement on the performance of the former government, the Australian people have made a judgement. And when the election is next held they will have an opportunity to make a judgement about this government and also about the performance of the alternative government.

I did not have the opportunity of seeing Senator Vanstone on *The 7.30 Report* but I am told that her performance took its customary feisty style. I want to say that I greatly respect the doggedness, the sagacity and the energy of Senator Vanstone. But you have asked me a question really about the Ombudsman's report, because what triggered all of this was the report of the Ombudsman, Professor McMillan. I am rather glad the member for Swan has asked me this because later in the evening, after I had the opportunity of having a bit of social discourse with my colleagues on the government front bench, I was still perfectly able and ready to watch *Lateline*. It is my wont to watch *Late-line* quite a bit. I often see my colleagues on *Lateline* and they perform very well; the foreign minister, for example, is a regular appearer on *Lateline*.

There was one very, very interesting comment that was made by Professor McMillan when he was interviewed, and it rather blows out of the water everything that the opposition has been saying about the government in relation to this matter. He had this to say:

There was no evidence in the cases that I've examined of any political pressure that led to deficient decisions.

Here is the independent man, the person appointed as the keeper of the public interest. And bear in mind that all of these cases were referred to him by the minister, arising out of the Palmer inquiry. We send them all off to the Ombudsman, he has a look at them and he says, contrary to what the opposition—

Mr Wilkie—Mr Speaker, I raise a point of order on relevance. We are asking for responsibility to be taken by the Prime Minister.

The SPEAKER—The member for Swan will resume his seat. The Prime Minister is in order. I call the honourable the Prime Minister.

Mr HOWARD—Professor McMillan was asked by Senator Vanstone, the woman whose reputation and performance you have tried to traduce—that is what you have tried to do—and he makes the cardinal central point:

There was no evidence in any of the cases that I've examined of any political pressure that led to deficient decisions.

In other words, on the whole argument the Leader of the Opposition and others have been running these past days, and that is that it was the rotten political policy of the government that produced all of these things, he said: not right.

Independent Contractors

Mr HENRY (2.52 pm)—My question is addressed to the Minister for Employment and Workplace Relations. Would the minister advise the House of how the government is protecting the rights of over one million Australian independent contractors and allowing them to choose the form of working arrangements that best suit their particular needs?

Mr ANDREWS—I thank the member for Hasluck for his question. In answering it, I note that the latest unemployment figures show that the unemployment rate in the electorate of Hasluck has fallen from 7.4 per cent, when this government was first elected in 1996, to just 3.8 per cent. Indeed, in the labour market figures that were released today, we saw that in the month of November alone there were 8,400 extra jobs created in the state of Western Australia. Some of those jobs were for people who work in the company Perth Regional Roof Trusses, which won the Prime Minister's Small Business Award last night—some of its representatives that I know are in the gallery here today. I had the pleasure of visiting, with the member for Hasluck, that company just a couple of weeks ago. Perth Regional Roof Trusses is a very significant company because most of its employees are hearing impaired and I think it is a great credit to that company that they provide employment for those people.

The Leader of the Opposition says that he supports the aspirations of Australian families, yet what we see from the opposition and its leader is opposition to the very policies that actually lead to the prosperity of Australian families. There are over one million independent contractors in Australia today. This parliament gave them further protection and, indeed, recognition with the passage of the Independent Contractors Bill 2006 just this past week. That bill provides legislative protection for those Australians who want to be their own boss—that great Australian aspiration of getting out, having a go, starting a business, building a business and being able to be your own boss. These new laws protect the freedom of those people to get on with running their own businesses, without unwarranted union interference and without the prescriptive controls of state industrial relations systems.

I was interested to listen to some of the musings of the Leader of the Opposition this week and there was one in particular which caught my ear. He said:

... I am constantly impressed by the entrepreneurialism of our small business sector and our independent contractors who are out there doing interesting and innovative and creative things.

He obviously was not so 'constantly impressed' to actually vote for this legislation in the parliament to support those very independent contractors. He voted against it, along with the rest of the Australian Labor Party. So I suppose this is more about what it means to be impressed with style rather than substance. It means paying lip-service, as he did, to those hardworking Australians who want to be able to get out there, have a go and build their own businesses. They give them lip-service but do nothing to support them when it comes to a vote in this parliament. It is not what you say; it is what you do that counts. We saw in the vote this week what happened as far as the Australian Labor Party is concerned.

What we have seen here from the new Leader of the Opposition is the same old policy and the same trade unions dictating to the Leader of the Opposition what the industrial relations policy for those opposite will be. We understand that the member for Lalor is going to be their new spokesman in relation to this—from that firm Slater and Gordon, who were the paid guns for hire for the radical unions, the BLF and the CFMEU. She is going to get the job—clearly, a dictation from the unions and, in the future, it will be just the same with the policy. It may be a new leader, but it is the same old Labor.

Minister for Immigration

Ms GILLARD (2.56 pm)—My question is addressed to the Prime Minister.

Mr Abbott interjecting—

Mr Kelvin Thomson—Where are you going?

Ms GILLARD—Bye-bye, Tony. Does the Prime Minister still have full confidence in the Minister for Immigration and Multicultural Affairs, Senator Amanda Vanstone?

Mr HOWARD—Yes, I do. I thank the Deputy Leader of the Opposition for the question because it enables me to add, if I may, to my answer to the previous question on the same subject, which I was asked by the member for Swan. Because the member for Lalor has asked me a question about the minister and it relates obviously to her handling inter alia of the Ombudsman's report, I wonder if she as well as the member for Swan have forgotten that, in 1992, the former government had so many unlawful detainees that they introduced retrospective legislation—namely, the Migration Amendment Bill 1992—limiting any compensation payable for unlawful detention to \$1 a day. That was in 1992.

Ms Gillard interjecting—

Mr HOWARD—Hang on, it gets even better. The deputy has asked me the question and she is going to have to get the answer. They also moved legislation—maybe she has forgotten this—to legitimise what were unlawful detentions by changing the law retrospectively, where the member for Reid made clear that the purpose of the bill was to legitimise the detentions that occurred between 1989 and 1992, because the government at the time acted in good faith in detaining people. In fact, the former member for Prospect, Janice Crosio, who was then the Parliamentary Secretary for Social Security, had this pearl of wisdom to say—which is so apposite and so relevant to the criticism we are now receiving from the Labor Party:

In this instance, the Commonwealth acted on a mistaken view of what the law was ... Should that custody prove to have been unlawful, it is as a

result of an innocent and technical breach, and no more.

In other words, when Labor was in government—

Ms Gillard interjecting—

The SPEAKER—Order! The Deputy Leader of the Opposition has asked her question.

Mr HOWARD—any unlawful detention was an innocent and technical breach and no more; yet, when we are in government and something like that happens, it is the greatest assault on human rights since the Russian Revolution. It is absolutely outrageous.

Mr Abbott—They liked the Russian Revolution.

Mr HOWARD—I apologise to the Menchevists. They actually liked the Russian Revolution. But the hypocrisy. The member for Lalor ought to know better. She boasts about what a good immigration spokesman she was. On this issue, the Labor Party are a bunch of hypocrites.

Ms Owens interjecting—

The SPEAKER—The member for Paramatta is warned!

Fiji

Mr SECKER (3.00 pm)—My question is addressed to the Minister for Foreign Affairs. Would the minister update the House on the government's latest response to the coup in Fiji? What has been the reaction both in Fiji and internationally?

Mr DOWNER—I thank the honourable member for Barker for his question and for his interest. I think many members of this House would have been, frankly, appalled by the scenes of senators in Fiji being forced out of parliament at gunpoint by armed soldiers. I am sure many members of the House saw that. I must say that I have also been very disturbed by reports of intimidation by the military of senior public servants and mem-

bers of the media. One public servant was held to the ground and abused by a senior military officer. Overall, there has been substantial intimidation. The Australian government commends the bravery of those who are standing up to these morally corrupt actions. We continue to call on public servants and others in positions of authority in Fiji under the Fijian constitution to continue with passive resistance to Commodore Bainimarama's actions and demands. I am very encouraged by the many Fijians who are prepared to do this and Australia should get behind them.

Of particular importance was the very welcome refusal by the Great Council of Chiefs to recognise the seizure of power by the military. The Great Council of Chiefs not only has a role within Fiji's constitution but also is, for the indigenous Fijians, a peak traditional body. The Great Council of Chiefs has cancelled a meeting scheduled for next week which Commodore Bainimarama had hoped he could use to install his caretaker government. The fact is that nevertheless Commodore Bainimarama has dismissed some of the more prominent among his civilian critics including the acting police commissioner, the Solicitor-General and the chief executive officer of the Prime Minister's office. He has become increasingly strident and aggressive in his statements directed at people—which is the vast majority of the Fijian people—who do not accept his preposterous takeover.

International condemnation is flowing in from America, Britain, New Zealand, France and the EU, but even in the Pacific from Papua New Guinea, Samoa and from countries further afield, like South Africa and Canada. I note that Louise Arbour, the United Nations High Commissioner for Human Rights, has said that the forcible and unconstitutional replacement of the government has raised serious concerns about the

ability to guarantee rights and liberties. We will continue to call for passive resistance to this so-called administration. It is important that Australia stands by the ordinary people of Fiji and gives no comfort to a military dictator who is endeavouring to take over the country.

Workplace Relations

Mr RUDD (3.04 pm)—My question is to the Prime Minister. This is likely to be the last question from the opposition before Christmas and before we all return to our electorates to be with our families. At this time when we are all looking forward to spending time with our families, how is it, Prime Minister, that as the party for family values you have brought in new industrial relations legislation which makes it harder and harder for families during the festive season to spend time with each other?

Mr HOWARD—After that, I am tempted to extend question time. I have two answers to that. The first answer is that the claim made by the Leader of the Opposition is ludicrous, wrong and completely unsupported by the facts. For example, for the first time, the federal Workplace Relations Act provides for a maximum of 38 ordinary hours of work per week. For the first time, the federal Workplace Relations Act provides for four weeks annual leave. For the first time, the federal Workplace Relations Act provides for 10 days personal carers leave. For the first time, the federal Workplace Relations Act provides two days paid compassionate leave per occasion. The federal Workplace Relations Act provides in law for 52 weeks of unpaid parental leave. In other words, Mr Speaker, the list goes on.

Mr Bevis interjecting—

The SPEAKER—The member for Brisbane is on thin ice!

Mr HOWARD—The question is based on a false premise. It goes deeper than that. This

Christmas, Australians will enjoy—and this means enhanced enjoyment for many Australian families—the lowest level of unemployment in 30 years. The Leader of the Opposition says to me—through you always, Mr Speaker—‘How can the Prime Minister claim to lead a party of family values when et cetera, et cetera, et cetera is the case?’ I might rhetorically reply and say: how can the Leader of the Opposition lead a party that presided over more than a million families not having a breadwinner in 1992? How can the Leader of the Opposition live with leading a political party that in 13 years drove the level of real wages down by 1.7 per cent? How can he live with leading a political party that saw hundreds of thousands of Australian children without either parent having a paid job? How can he claim to have at heart the interests of Australian families when he supports returning them to policies that will condemn this country to lower growth and lesser prosperity?

As we all know, at Christmas the most important thing we do—for those whose values suggest it—is to enjoy the spirituality of the occasion and remember what it commemorates and the contribution to the world that the birth of that remarkable man represents. To millions of Australians, that is the great significance of Christmas. That is what gives Christmas its special place and its special nobility. Money is not everything at Christmas but, in order to ensure that the children of Australia enjoy Christmas to the greatest possible extent, their parents need to have jobs. Without jobs, they cannot afford to give them the Christmas they wanted. I am proud to lead a government that will go to this Christmas with the lowest level of unemployment in 30 years—more Australians in jobs and able to afford Christmas presents for their children than ever before; more ordinary Australians able to enjoy the joys of Christmas. That is what I am proud of. I can

live with that, because it is the fruits of 10½ years hard work for the people of this great country.

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

QUESTIONS TO THE SPEAKER

Standing Committee on Family and Human Services

The SPEAKER (3.09 pm)—Yesterday the honourable members for Fowler, Throsby, Adelaide and Franklin asked me a series of questions concerning proceedings of the Standing Committee on Family and Human Services. The honourable member for Mackellar, chair of the committee, also raised some questions on the same matters. She referred to certain matters again in the adjournment debate last night. In addition, I have received a letter from the honourable member for Fowler canvassing several of the issues. As well as raising a number of points about particular aspects of the operation of the Standing Committee on Family and Human Services, the questions go to wider matters of committee practice and administration.

The work that members of the House put into fulfilling their obligations in respect of committee service is very important. Committee processes are a feature of the modern House of which I am particularly supportive. In the time available it has obviously not been possible for me to obtain all the information that will be needed to respond to the matters that have been raised. However, I will seek to obtain necessary details during the summer adjournment and report further as appropriate. I also intend to ask the Deputy Speaker, in his capacity as chair of the liaison committee of chairs and deputy chairs, to consider the issues of procedure and practice raised in this case and provide me with advice as to whether action is re-

quired to clarify any aspects of committee practice and procedure.

Anti-Money Laundering and Counter-Terrorism Financing Legislation

The SPEAKER (3.10 pm)—While I am on my feet, in response to the honourable member for Brisbane's question yesterday, I have sent him a letter, which I will also table.

PERSONAL EXPLANATIONS

The SPEAKER—I call the Leader of the Opposition—sorry, I mean the Prime Minister.

Opposition members interjecting—

Mr HOWARD (Bennelong—Prime Minister) (3.11 pm)—Enjoy! Let them have a little bit of festive fun! Mr Speaker, I wish to make a personal explanation.

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

Mr HOWARD—Yes.

The SPEAKER—Please proceed.

Mr HOWARD—An article in today's *Sydney Morning Herald* and the *Age* penned by Matthew Moore falsely accuses both the Minister for Foreign Affairs and me of distorting test results during a white powder incident last year at the Indonesian embassy. There are serious inaccuracies in the article. It suggests, amongst other things, that the foreign minister and I added the term 'biological agent' to the description of the substance received at the Indonesian embassy. The article also alleges that the public was never informed of the true nature of the substance. Both of those claims are wrong.

Advice that the white powder posted to the embassy was a biological agent was included in an incident report prepared by the Australian government's Protective Security Coordination Centre at 2.13 pm on 1 June. The advice said:

Initial analysis of the powder has tested positive as a biological agent—

those are the words of the authority, not words added by the foreign minister and me—

though further testing will need to be carried out to determine what that substance is.

The foreign minister provided a statement to the House of Representatives approximately an hour later. He quoted directly from that report and he also advised that further testing would be required to determine the exact nature of the substance. He also said there was a possibility the Indonesian embassy would be shut down for quite a period of time and the 22 staff would remain in isolation.

In media interviews later that day when answering questions about the white powder incident I was also quoting from the advice provided by PSCC. Advice at 6.24 am the following day said:

Testing by health authorities in the ACT reveal that the substance was gram positive bacillus bacteria, which has a number of different forms. While one form, anthrax, can be lethal, others are naturally present and harmless.

The article in the *Age* and the *Sydney Morning Herald* alleges that this advice was not provided to the public. That is quite simply factually wrong. In question time that day, 2 June, I advised that analysis of the substance indicated that, in all probability, it was not toxic. I did that at question time. The Chief Police Officer of the ACT and the Chief Minister of the ACT also made this clear in a press conference on 2 June.

Finally, prior to publication of his erroneous article, Mr Moore was advised there were other documents that did indicate the material was biological but he chose not to pursue them or include any reference to them in his article, operating on the principle that facts should not get in the way of a good

story. His conclusion that the government exaggerated the threat is both outrageous and factually incorrect.

Mr SWAN (Lilley) (3.14 pm)—Mr Speaker, I wish to make a personal explanation.

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

Mr SWAN—Yes, I do.

The SPEAKER—The honourable member will proceed.

Mr SWAN—I was grievously misrepresented by the Treasurer. Today in question time, the Treasurer, as he has on previous occasions, claimed that I said the family tax benefit supplement has no monetary value. This is absolutely incorrect.

Government members interjecting—

The SPEAKER—Order! The member for Lilley has the call!

Mr SWAN—On many occasions, in my former role as shadow minister for family and community services, I said the family tax benefit supplement would be clawed back off families. The Treasurer would be aware that when the family tax benefit supplement was legislated, the government changed the indexation arrangements such that the fortnightly family benefits would be indexed less generously until such time that the extra value of the \$600 supplement would be completely eroded. Analysis undertaken by NATSEM showed that this was the case.

The SPEAKER—Order! The member will not debate his point.

Mr SWAN—Following the 2004 election, the government was forced to introduce legislation to restore the old indexation arrangements so that the value of the \$600 supplement would be preserved.

The SPEAKER—The member for Lilley will resume his seat.

Mr SWAN—I seek leave to table the *Bills Digest* for that legislation.

The SPEAKER—Is leave granted to table the document?

Leave granted.

MR IAN DUNDAS

MRS MARLENE DUNDAS

Retirement

Dr WASHER (Moore) (3.16 pm)—Mr Speaker, I seek your indulgence so I may recognise two retiring parliamentary staff.

The SPEAKER—Indulgence granted.

Dr WASHER—Mr Ian Dundas commenced in the APS on 13 March 1975 and with the Department of the House of Representatives on 23 January 1984. His career with the department has been in the committee office serving the following committees: Standing Committee on Expenditure, Standing Committee on Conservation and Environment, secretary of the Standing Committee for Long Term Strategies, secretary of the Standing Committee on Environment, Recreation and the Arts, secretary of the Standing Committee on Agriculture, Fisheries and Forestry, Standing Committee on Environment and Heritage, Standing Committee on Transport and Regional Services and the Select Committee on the Recent Australian Bushfires in 2003. He has a degree in forestry. The department awarded Ian an Australia Day medal in January 2004. His wife, Marlene Dundas, is administration officer with the Standing Committee on Agriculture, Fisheries and Forestry, the Standing Committee on Environment and Heritage and the Standing Committee on Transport and Regional Services. I thank the member for Denison for reminding me that I have the ability to do this. We wish them the most wonderful retirement. On behalf of all of the

members in this House whom they have served, we thank them very much.

Honourable members—Hear, hear!

QUESTIONS TO THE SPEAKER

Standing Committee on Family and Human Services

Mr MURPHY (3.17 pm)—In relation to the matters you are investigating concerning the conduct of the member for Mackellar as Chair of the House of Representatives Standing Committee on Family and Human Services, would you also include in your investigation the conduct of the member for Mackellar as Chair of the House of Representatives Standing Committee on Legal and Constitutional Affairs in the 40th Parliament? This conduct also resulted in all of the opposition members resigning from that committee.

The SPEAKER—I remind the member for Lowe that, as I said in my statement earlier, I was asking the Deputy Speaker, in his capacity as chair of the liaison committee of chairs and deputy chairs, to consider the issues of procedure and practice in relation to this matter. I have nothing further to add to that.

Standing Committee on Family and Human Services

Mrs BRONWYN BISHOP—I think your comments have virtually answered the question I wanted to ask, which was: could you clarify that what you are investigating is committee procedures generally?

Opposition members interjecting—

The SPEAKER—Order! The member for Mackellar has the call!

Mrs BRONWYN BISHOP—Mr Speaker, I was merely saying that I wanted to have you clarify precisely what it was you said you are asking the Deputy Speaker to look at. I understood you to say it is the way

in which committee procedures are undertaken in all aspects—

Opposition members interjecting—

The SPEAKER—Order!

Mrs BRONWYN BISHOP—and, if I might say, in particular to the operation of standing order 242 and the leaking that has gone on with regard to this particular report.

Opposition members interjecting—

The SPEAKER—Order! I would say to the member for Mackellar that on the first point I will refer her back to the statement I made a couple of minutes ago. On the last point, the first place to start on that issue is within the committee.

Questions in Writing

Mr DANBY (3.20 pm)—Mr Speaker, under section 105 of the standing orders, would you write to the Special Minister of State asking for an answer to question No. 2605, the Prime Minister for an answer to question No. 3737, to the Special Minister of State asking for an answer to question No. 3738, the communications minister for an answer to question No. 3976 and to the Prime Minister for an answer to question No. 3978?

The SPEAKER—I thank the member for Melbourne Ports, and I will follow up his request.

AUDITOR-GENERAL'S REPORTS

Report No. 14 of 2006-07

The SPEAKER (3.20 pm)—I present the Auditor-General's Audit report No. 14 of 2006-07 entitled *Regulation of pesticides and veterinary medicines-Australian Pesticides and Veterinary Medicines Authority*.

Ordered that the report be made a parliamentary paper.

DOCUMENTS

Mr ABBOTT (Warringah—Leader of the House) (3.20 pm)—Documents are tabled as listed in the schedule circulated to honour-

able members. Details of the documents will be recorded in the *Votes and Proceedings* and I move:

That the House take note of the following documents:

Committee reports-Government responses to parliamentary committee reports-Response to the schedule tabled by the Speaker on 7 December 2006.

Department of Defence-Special purpose flights-Schedule for the period January to June 2006.

Department of Finance and Administration-Reports-

Former parliamentarians' travel paid by the department for the period January to June 2006.

Parliamentarians' overseas study travel reports for the period January to June 2006.

Parliamentarians' travel paid by the department for the period January to June 2006.

Department of the Prime Minister and Cabinet-Expenditure on travel by former Governors-General paid by the department for the period January to June 2006.

Debate (on motion by **Ms Gillard**) adjourned.

DOCUMENTS

Mr ABBOTT (Warringah—Leader of the House) (3.21 pm)—I present documents on the following subjects, being petitions which are not in accordance with the standing and sessional orders of the House.

Same sex unions—from the member for Berowra—12 Petitioners

Antisocial behaviour in the city of Murray Bridge—from the member for Barker—464 Petitioners

The prohibition of human cloning—from the member for Hinkler—81 Petitioners

The need for a rescue helicopter in western Victoria—from the member for Wannon—2032 Petitioners

The incarceration of David Hicks—from the member for Page—15 Petitioners

Seeking PBS status for Altima treatment—from the member for Warringah—187 Petitioners

Support for the permanent residency application for Mr Dagobert Walter and Ingrid Stein-Walter—from the member for Hinkler—74 Petitioners

The prohibition of human cloning—from the member for Farrer—445 Petitioners

The criminalisation of the transmission of child pornography—from the member for Higgins—22 Petitioners

Internet Service Providers offering internet filters to consumers—from the member for Chisholm—37 Petitioners

BUSINESS

Mr ABBOTT (Warringah—Leader of the House) (3.22 pm)—Mr Speaker, on indulgence, while I am on my feet may I just update members on the likely course of proceedings. After the MPI, it is proposed to have the valedictories, and after that we will conclude the AWB bill. How long that runs depends very much on how long members of this House wish to speak and how many wish to speak, but I do not anticipate that it will be a late night.

COMMITTEES

Reports: Government Responses

The SPEAKER—For the information of honourable members I present a schedule of outstanding government responses to reports of House of Representatives and joint committees, incorporating reports tabled and details of government responses made in the period between 22 June 2006, the date of the last schedule, and 6 December 2006. Copies of the schedule are being made available to honourable members and it will be incorporated in *Hansard*.

The Schedule read as follows—

**THE SPEAKER'S SCHEDULE OF
OUTSTANDING GOVERNMENT
RESPONSES TO REPORTS OF HOUSE OF
REPRESENTATIVES AND JOINT
COMMITTEES**

(also incorporating reports tabled and details of Government responses made in the period between 22 June 2006, the date of the last schedule, and 6 December 2006)

7 December 2006

**THE SPEAKER'S SCHEDULE OF
OUTSTANDING GOVERNMENT
RESPONSES TO COMMITTEE REPORTS**

On 7 December 2006, the Government presented its response to a schedule of outstanding Government responses to parliamentary committee reports tabled in the House of Representatives on 22 June 2006.

It is Government policy to respond to parliamentary committee reports within three months of their presentation. In 1978 the Fraser Government implemented a policy of responding in the House by ministerial statement within six months of the tabling of a committee report. In 1983, the Hawke Government reduced this response time to three months but continued the practice of responding by ministerial statement. The Keating Government generally responded by means of a letter to a committee chair, with the letter being tabled in the House at the earliest opportunity. In 1996, the Howard Government affirmed the commitment to respond to relevant parliamentary committee reports within three months of their presentation. The Government also undertook to clear, as soon as possible, the backlog of reports arising from previous Parliaments.

The attached schedule lists committee reports tabled and government responses to House and joint committee reports made since the last schedule was presented on 22 June 2006. It also lists reports for which the House has received no

government response. A schedule of outstanding responses will continue to be presented at approximately six monthly intervals, generally in the last sitting weeks of the winter and spring sittings.

The schedule does not include advisory reports on bills introduced into the House of Representatives unless the reports make recommendations which are wider than the provisions of the bills and which could be the subject of a government response. The Government's response to these reports is apparent in the resumption of consideration of the relevant legislation by the House. Also not included are reports from the Parliamentary Standing Committee on Public Works, the House of Representatives Committee of Members' Interests, the Committee of Privileges, the Publications Committee (other than reports on inquiries) and the Selection Committee. Government responses to reports of the Public Works Committee are normally reflected in motions for the approval of works after the relevant report has been presented and considered. Reports from other committees which do not include recommendations are only included when first tabled.

Reports of the Joint Committee of Public Accounts and Audit primarily make administrative recommendations but may make policy recommendations. A government response is required in respect of such policy recommendations made by the committee. However, responses to administrative recommendations are made in the form of an Executive Minute provided to, and subsequently tabled by, the committee. Agencies responding to administrative recommendations are required to provide an Executive Minute within 6 months of tabling a report. The committee monitors the provision of such responses. The schedule only includes reports with policy recommendations.

Description of Report	Date Tabled or Published ¹	Date of Government Response ²	Responded in Period Specified ³
Aboriginal and Torres Strait Islander Affairs (House, Standing)			
Unlocking the future: The report of the Inquiry into the Reeves Review of the <i>Aboriginal Land Rights (Northern Territory) Act 1976</i>	30-08-99	No response to date ⁴	No
Many ways forward: Report of the inquiry into capacity building and service delivery in indigenous communities	21-06-04	01-11-06	No
Agriculture, Fisheries and Forestry (House, Standing)			
Inquiry into future water supplies for Australia's rural industries and communities – Interim Report	05-05-04	No response to date ⁵	No
Getting water right(s) – The future of rural Australia	21-06-04	No response to date ⁵	No
Taking control: a national approach to pest animals	28-11-05	No response to date ⁵	No
ASIO, ASIS and DSD (Joint, Statutory)			
Private review of agency security arrangements	13-10-03	07-09-06	No
Australian Crime Commission (Joint, Statutory)			
Inquiry into the trafficking of women for sexual servitude	24-06-04	09-11-06	No
Examination of the Australian Crime Commission Annual Report 2003-2004	23-06-05	17-08-06	No
Supplementary report to the Inquiry into the trafficking of women for sexual servitude	11-08-05	No response to date ⁵	No
Review of the Australian Crime Commission Act 2002	10-11-05	No response to date ⁵	No
Examination of the Australian Crime Commission Annual Report 2004-2005	19-10-06	Time has not expired	
Communications, Information Technology and the Arts (House, Standing)			
From reel to unreal: future opportunities for Australia's film, animation, special effects and electronic games industries	21-06-04	No response to date ⁵	No
Digital Television: Who's Buying It?	13-02-06	No response to date ⁵	No
Corporations and Securities (Joint, Statutory)			
Report on aspects of the regulation of proprietary companies	08-03-01	No response to date ⁶	No
Corporations and Financial Services (Joint, Statutory)			
Report on the regulations and ASIC policy statements made under the Financial Services Reform Act 2001	23-10-02	No response to date ⁷	No

Description of Report	Date Tabled or Published ¹	Date of Government Response ²	Responded in Period Specified ³
Inquiry into the review of the Managed Investments Act 1998	12-12-02	No response to date ⁸	No
Inquiry into Regulation 7.1.29 in Corporations Amendment Regulations 2003 (No.3), Statutory Rules 2003 No.85	26-06-03	No response to date ⁷	No
Money matters in the bush-Inquiry into the level of banking & financial services in rural, regional & remote areas of Australia	15-01-04	No response to date ⁵	No
Report on the ATM fee structure	15-01-04	No response to date ⁹	No
Corporations amendment regulations 2003	24-03-04	No response to date ⁷	No
Corporations Amendment Regulations 7.1.29A, 7.1.35A and 7.1.40(h)	02-06-04	No response to date ¹⁰	No
Property Investment Advice – Safe as Houses?	23-06-05	No response to date ⁵	No
Timeshare: The Price of Leisure	05-09-05	No response to date ⁵	No
Statutory oversight of the Australian Securities and Investments Commission, December 2005	13-02-06	No response to date ⁵	No
Corporate responsibility: Managing risk and creating value	21-06-06	No response to date ¹¹	No
Statutory oversight of the Australian Securities and Investments Commission, August 2006	16-08-06	No response to date	No
Economics, Finance and Public Administration (House, Standing)			
Numbers on the run: Review of the ANAO Report no. 37 1998-1999 on the management of Tax File Numbers	28-08-00	No response to date ¹²	No
Review of the Australian Competition and Consumer Commission annual report 2003	21-06-04	No response to date ⁵	No
Improving the superannuation savings of people under 40	19-06-06	No response to date ⁵	No
Review of the Reserve Bank of Australia & Payments System Board Annual Report 2005 (First report)	14-08-06	No response to date	No
Review of the Reserve Bank of Australia Annual Report 2005 (Second report)	04-12-06	No response required	
Electoral Matters (Joint, Standing)			
The 2004 Federal Election: Report of the Inquiry into the Conduct of the 2004 Federal Election and Matters Related Thereto	10-10-05	31-08-06	No
Funding and Disclosure: Inquiry into disclosure of donations to political parties and candidates	30-03-06	No response to date ⁵	No
Employment and Workplace Relations and Workforce Participation (House, Standing)			
Working for Australia's future: increasing participation in the work force	14-03-05	No response to date ⁵	No

Description of Report	Date Tabled or Published ¹	Date of Government Response ²	Responded in Period Specified ³
Making it work: Inquiry into independent contracting and labour hire arrangements	17-08-05	No response to date ⁵	No
Employment in the automotive component manufacturing sector	04-12-06	Time has not expired	
Environment and Heritage (House, Standing)			
Public good conservation: Our challenge for the 21st century	27-09-01	No response to date ⁵	No
Sustainable cities	12-09-05	No response to date ⁵	No
Inquiry into a Sustainability Charter, Review of Green Office Procurement Audit (Interim Report)	04-09-06	No response to date	No
Family and Community Services (House, Standing)			
Road to recovery: Report on the inquiry into substance abuse in Australian communities	08-09-03	10-08-06	No
Family and Human Services (House, Standing)			
Overseas Adoption in Australia: Report on the inquiry into adoption of children from overseas	21-11-05	14-09-06	No
Foreign Affairs, Defence and Trade (Joint, Standing)			
Australia's free trade agreements with Singapore, Thailand and the United States: progress to date and lessons for the future	07-11-05	No response to date ⁵	No
Australia's Defence Relations with the United States	22-05-06	No response to date ⁵	No
Expanding Australia's trade and investment relations with North Africa	22-05-06	No response to date ⁵	No
Australia's response to the Indian Ocean Tsunami	22-06-06	No response to date	No
Australia's relationship with the Republic of Korea; and developments on the Korean peninsula	22-06-06	No response to date	No
Review of the Defence Annual Report 2004-05	16-10-06	Time has not expired	
Health and Ageing (House, Standing)			
The Blame Game: Report on the inquiry into health funding	04-12-06	Time has not expired	
Industry, Science and Resources (House, Standing)			
Getting a better return: Inquiry into increasing the value added to Australian raw materials second report	24-09-01	No response to date ⁵	No
Australia's Uranium: Greenhouse friendly fuel for an energy hungry world	04-12-06	Time has not expired	
Intelligence and Security (Joint, Statutory)			
Review of the listing of the Kurdistan Workers'	26-04-06	No response required	

Description of Report	Date Tabled or Published ¹	Date of Government Response ²	Responded in Period Specified ³
Party (PKK)			
Review of administration and expenditure: Australian Intelligence Organisations Number 4 - Recruitment and Training	14-08-06	No response to date	No
Annual Report of Committee Activities 2005-2006	11-09-06	No response to date	No
Review of the relisting of Al-Qa'ida and Jemaah Islamiyah as terrorist organisations	16-10-06	Times has not expired	
Review of security and counter terrorism legislation	04-12-06	Time has not expired	
Legal and Constitutional Affairs (House, Standing)			
The third paragraph of section 53 of the Constitution	30-11-95	No response to date	No
Inquiry into crime in the community: victims, offenders and fear of crime	11-08-04	No response to date ⁵	No
Review of technological protection measures exceptions	01-03-06	19-10-06	No
Harmonisation of Legal Systems within Australia and between Australia and New Zealand	04-12-06	Time has not expired	
Migration (Joint, Standing)			
Review of Audit Report No. 1 2005-2006: Management of Detention Centre Contracts Part B	05-12-05	No response to date ⁵	No
Negotiating the maze: Review of arrangements for overseas skills recognition, upgrading and license	11-09-06	No response to date	No
Report on the Parliamentary delegation to New Zealand: Australia – New Zealand Committee Exchange Program	04-12-06	Time has not expired	
National Capital and External Territories (Joint, Standing)			
Norfolk Island electoral matters	26-08-02	No response to date ⁵	No
Antarctica: Australia's Pristine Frontier. Report on the adequacy of funding for Australia's Antarctic Program	23-06-05	No response to date ⁵	No
Norfolk Island Financial Sustainability: The Challenge – Sink or Swim	01-12-05	No response to date ⁵	No
Current and future governance arrangements for the Indian Ocean Territories	13-06-06	No response to date ⁵	
Report on the visit to Norfolk Island 2-5 August 2006	16-10-06	Time has not expired	
Native Title and the Aboriginal Torres Strait Islander Land Account (Joint, Statutory)			
Report on the operation of Native Title Representative bodies	21-03-06	No response to date ⁵	No

Description of Report	Date Tabled or Published ¹	Date of Government Response ²	Responded in Period Specified ³
Examination of annual reports 2004-2005 Procedure(House, Standing)	21-03-06	No response required	
House Estimates: consideration of the annual estimates by the House of Representatives	13-10-03	No response to date ⁵	No
Media coverage of House proceedings including the Chamber, Main committee and committees (Final report)	10-10-05	No response to date ⁵	No
Learning from other parliaments: study program 2006	04-09-06	No response required	
Maintenance of the standing and sessional orders: Second report – review of sessional orders adopted on 17 March 2005 and 9 February 2006; and other matters	31-10-06	29-11-06 ¹³	Yes
Public Accounts and Audit(Joint, Statutory)			
Corporate governance and accountability arrangements for Commonwealth government business enterprises, December 1999 (Report No. 372)	16-02-00	No response to date ⁵	No
Developments in aviation security since the committee's June 2004 Report 400: Review of aviation security in Australia – An interim report (Report 406)	07-12-05	No response to date ⁵	No
Review of Auditor-General's reports tabled between 18 January and April 2005 (Report 407)	04-09-06	Time has not expired	
Annual report 2005-2006 (Report 408)	30-10-06	No response required	
Developments in Aviation Security since the Committee's June 2004 Report 400: Review of Aviation Security in Australia (Report 409)	04-12-06	Time has not expired	
Publications (Joint, Standing)			
Distribution of the Parliamentary Papers Series	29-05-06	02-11-06 ¹⁴	No
Science and Innovation (House, Standing)			
Second report of the inquiry into increasing the value added to Australian raw materials	24-09-01	No response to date ⁵	No
Pathways to technological innovation	19-06-06	30-11-06(interim)	No
Transport and Regional Services (House, Standing)			
Regional aviation and island transport services: Making ends meet	01-12-03	No response to date ⁵	No
Ship salvage	21-06-04	No response to date ⁵	No
Treaties (Joint, Standing)			
The Australia – United States Free Trade Agreement(61st Report)	23-06-04	No response to date ¹⁵	No

Description of Report	Date Tabled or Published ¹	Date of Government Response ²	Responded in Period Specified ³
Treaties tabled on 7 December 2004 (previously tabled in May and June 2004)(63rd Report)	14-12-04	No response to date ¹⁶	No
Treaties tabled on 7 December 2004 (3) and 8 February 2005(65th Report)	20-06-05	10-08-06	No
Review of Treaty tabled on 29 November 2005 (71st Report)	27-02-06	No response required	
Review of Treaties tabled on 29 November 2005 (2) (72nd Report)	28-03-06	No response required	
Review of Treaties tabled in February 2006 (73rd Report)	10-05-06	No response required	
Review of Treaty tabled on 28 March 2006 (74th Report)	29-05-06	No response required	
Review of Treaties tabled on 11 October 2005 (2), 28 February and 28 March 2006 (2) (75th Report)	14-08-06	No response required	
Review of Treaties tabled on 28 March (3) and 10 May 2006 (76th Report)	16-08-06	No response required	
Review on Treaties tabled on 20 June and 8 August 2006 (77th Report)	09-10-06	No response required	
Treaty Scrutiny: A Ten Year Review (78th Report)	09-10-06	No response required	
Review of Treaties tabled on 10 May (2), 5 and 6 September 2006 (79th Report)	19-10-06	No response required	
Review of treaties tabled on 28 March (4) and 5 September (2) 2006 (80th Report)	19-10-06	Time has not expired	
Treaties tabled on 8 August 2006 (2) (81st Report)	06-12-06	Time has not expired	

These notes reflect the response circulated by the Leader of the House on 7 December 2006 entitled "Government Responses to Parliamentary Committee reports. Response to the schedule tabled by the Speaker of the House of Representatives on 22 June 2006".

1. The date of tabling is the date the report was presented to the House of Representatives. In the case of joint committees, the date shown is the date of first presentation to either the House or the Senate. Reports published when the House (or Houses) are not sitting are tabled at a later date.
2. If the source for the date is not the *Votes and Proceedings* of the House of Representatives or the *Journals of the Senate*, the source is shown in an endnote.
3. The time specified is three months from the date of tabling.
4. Amendments to the *Aboriginal Land Rights (Northern Territory) Act 1976* reflecting the government's reforms were introduced to Parliament on 31 May 2006 and passed 17 August 2006. The *Aboriginal Land Rights (Northern Territory) Amendment Act 2006* received Royal Assent on 5 September 2006. No further response is required.

5. The government response is being considered and will be tabled in due course.
6. The Government is currently consulting on a substantial number of initiatives to simplify corporate regulation. It is expected that some of these initiatives will impact on the regulation of proprietary companies. A response to the report will therefore be provided in due course.
7. The government is currently reviewing and consulting on a substantial number of initiatives to refine the regulation of financial services which take into account the recommendations made in this report. A response which takes into account the refinements will therefore be provided in due course.
8. The government is currently reviewing and consulting on a substantial number of initiatives to refine the regulation of financial services. It is expected that certain of these initiatives will have some bearing on the regulation of managed investments. A response to the report will therefore be provided in due course.
9. The response is being considered in conjunction with that for 'Money Matters in the Bush' (see endnote 5).
10. The government continues to respond to this report through changes to the Corporations Regulations and ongoing proposals to make further refinements to the regulation of financial services based on public comment. A final response to this report will be tabled following implementation of these changes.
11. A response is expected following the report of the Corporations and Markets Advisory Committee (CAMAC) on Corporate Social Responsibility.
12. As previously noted, the Numbers on the Run Review was followed up by the Australian National Audit Office in report No.47 of 2004-2005, which was tabled on 31 May 2005. No further response required.
13. House agreed to amendments to the standing and sessional orders implementing the recommendations of the committee.
14. Responses to recommendations 7, 10, 13, 14 & 19 by the Department of Finance and Administration and responses to recommendations 8 & 16 by the Department of the Prime Minister and Cabinet were tabled in the House of Representatives on 2 November 2006 and tabled in the Senate on 9 November 2006. Recommendation 18 will be responded to in due course. Presiding Officer's response was tabled on 7 September 2006.
15. Legislation to give effect to the Free Trade Agreement has now been passed. The government has stated that no further response is required.
16. Defence has implemented recommendations 6 & 7. No further response is required.

MATTERS OF PUBLIC IMPORTANCE

Howard Government

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

The need for the federal government to take responsibility for protecting Australia's prosperity and end the blame game.

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

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

Mr RUDD (Griffith—Leader of the Opposition) (3.23 pm)—Two days ago in this chamber, during the matter of public importance debate, I said that in the 12 months ahead we are going to be engaged in a battle

for ideas for this country's long-term future. I also said that values and ideas were important because they shape everything we do. They shape our vision; they shape our policies; they shape the practical things we propose to be done on the ground that affect the lives of working families. All this will culminate in an election at the end of next year which will be the most important election in a generation.

In this battle for ideas, for values and over vision, the battlelines are already clear. Their vision is for an Australia which has about it the Liberals' three big priorities: me, myself and I. That is the cornerstone of what their philosophy is all about—all to be delivered by a form of market fundamentalism that this country has never seen before. That is their vision.

Our alternative vision is for an Australia in which we have a strong economy based on market principles but also a fair go for all Australian families, not just some Australian families. In a nutshell, that is the difference—that is the alternative vision for the future and that is what this battle will be about.

That is why I have said that in the 12 months to come this country will indeed face a fork in the road—because there is a choice to be faced; there is an alternative to be embraced. Either you can go their way or you can go our way—let's not pretend about it. You can go for their vision or you can go for our vision. Their vision and the market fundamentalism for which it stands has been so overtaken by extremism in recent years that this fork in the road is becoming very sharp and stark indeed. Ever since this Prime Minister got control of the Senate, this Prime Minister's policies have become extreme, more extreme and more extreme again. We have seen that particularly in workplace rela-

tions, but we see it across the spectrum of other public policy as well.

That is their vision—one increasingly driven by the politics of the extreme. Ours is an alternative vision to restore the balance and to reclaim the centre ground, because Australian families want a balance between a strong economy and fairness for Australian working families. That is our alternative vision.

But make no mistake: when we talk about this alternative which we will face when we go to the next election, it will be made starker and starker by the events which unfold in the weeks and months ahead. Over that period I will be outlining just how these differences between us will be reflected in a different and new policy agenda for the nation, because this is what at the end of the day the Australian people will be looking for: a different vision, different policies and different things which will make their lives more liveable on the ground.

But this debate is also about a new style of leadership, because what we have pursued this week in this parliament is a debate about this Prime Minister's style of leadership. Leadership is important. It is the vehicle through which long-term change can be brought about for the nation. Alternatively, it is the vehicle through which long-term change can in fact be thwarted in substitution for short-term political expediency. The sort of political leadership and the sort of leadership style we have had from the Prime Minister so far is one increasingly characterised by short-term political survival. That, at the end of the day, is what this Prime Minister has become a past master of.

This Prime Minister is a clever politician. His talents, skills and abilities are so focused on the arts and crafts of immediate political survival that he has lost sight of the nation's long-term needs, the nation's long-term

prosperity, the nation's long-term sustainable security and the long-term fairness which is available to all Australian families. At the end of the day, you have limited time and energy in this business of politics, and 95 per cent of this Prime Minister's energy and time is spent on the art and craft of: 'How do I get through to nine o'clock tomorrow morning?' That is what this Prime Minister is such a clever politician at doing. But I have a message for him: the Australian people are starting to see through this. They are becoming very tired indeed of the politics of the short term—the politics of short-term expediency and opportunism.

That brings us to the matter of public importance before us today: the style of leadership that either accepts responsibility or instead always blames somebody else. You either accept responsibility or you take that course of action in which you play the blame game. We have seen today in question after question how this Prime Minister always takes that course of action which causes him least political pain—namely, to play the blame game. If your overriding strategy in politics is political survival at all costs, then the way in which you bring that about is to play the blame game, because at the end of the day that is this Prime Minister's ultimate objective. Do you remember the Peter Sellers movie *Being There*?

Opposition members—Chauncey!

Mr RUDD—Leaving Chauncey Gardner to one side, who I think had a remarkable set of talents, when it comes to the blame game, when it comes to what this Prime Minister is ultimately on about and what his ultimate objective is, it is those two words: being there; just being there—not making a difference for the long term; not making a difference in terms of how we produce a sustainable climate for the future, how we actually invest in the long-term prosperity of our

economy by properly using the resources boom of today and how we best invest in our long-term security rather than simply inflaming the fires of militant Islamism within our own region. He is not interested in any of those great projects for the nation as we embark upon the Pacific century, replete with challenges and opportunities. No. It is simply Peter Sellers and *Being There*—being in Kirribilli and the Lodge and just being there. That is what guides this Prime Minister's modus operandi. That is why so much of this clever politician's political talent and energy is directed at the art and craft of political survival.

The hallmark of this Prime Minister's occupancy of the most important political office in the country is always that it is someone else's fault, never his. Yesterday, I asked the Prime Minister this question, which was very simple and pretty stark, and I thought it was an important one to ask: 'Prime Minister, why do you always take the credit for the good news in this country and why do you never take any responsibility for the bad news in this country?' I thought the Prime Minister looked like a stunned mullet when I asked that question yesterday, because he did not know how to respond, because that in a nutshell is how the Prime Minister conducts the political and policy business of the nation. But when it comes to things that go radically wrong, like the war in Iraq—and we had questions here today on that and this devastating report by former Secretary of State Baker—and things that go radically wrong over which this government has absolute control, such as the \$300 million wheat for weapons scandal and the direct role in that of the Minister for Foreign Affairs, it is, 'Don't look at me.' When we go to other scandals, such as the one which has been outlined by the shadow minister for immigration this week concerning the illegal detention of Australian children—what a dis-

grace—which are things that fall directly within the purchase of this Prime Minister, at the end of the day, what is his answer to them? ‘Don’t look at me; I’m just the Prime Minister.’ That is his answer: ‘Don’t look at me; I’m just the guy in charge of the country. Don’t look at me. I have tens of thousands of public servants working for me. How could I ultimately be responsible for anything that goes wrong in this country?’

I have to say to the Prime Minister and to the minister sitting at the table: after 10 long years in office, the Australian people are starting to see through this. They actually want a new style of leadership which says, ‘The buck stops with me.’ They want a new style of leadership which says, ‘I’ve got the guts to say, “The buck stops with me.”’ They want a new style of leadership which says: ‘I am committed to delivering real, long-term solutions for the nation’s long-term challenges and problems. I am not just interested in surviving until breakfast-time tomorrow.’ When it comes to the blame game, I found it really interesting this week how the Prime Minister, with increasing anxiety, responded to these questions as the week unfolded. If you go right across the spectrum of public administration here, you see it writ large. In health care the minister at the table had this to say only a short time ago:

The problem with the Commonwealth seeking any specific performance outcomes from state-run public hospitals is that the Commonwealth would be regarded as ... responsible for any failure to deliver.

Mr Bevis—We wouldn’t want that to happen!

Mr RUDD—We could not have that. He continued:

Seeking state guarantees on emergency department waiting times, elective surgery waiting lists or rural obstetric services means that the Commonwealth will be blamed for the states’ inevita-

ble failure to deliver but will lack any realistic means of compelling better performance.

So in his own words they are seeking to avoid responsibility and are seeking to blame—to avoid responsibility and engage in the blame game. The minister at the table also had this to say about the health and hospital system:

Cost-shifting is unavoidable. You can’t stop it, so you might as well just live with it.

How is that for national political leadership? We have massive cost shift and blame shift across the health and hospital system of Australia, and one of the most senior ministers in this government, responsible directly for that portfolio, turns around and says:

You can’t stop it, so you might as well just live with it.

The Australian people expect a bit better. They actually want their governments to try. This is really important. It affects people in hospitals, in acute beds and in emergency departments. It affects those seeking to find a place in aged care as well.

Speaking of aged care, on any one night in Australia it is estimated that there are 1,684 people in public hospital beds who should be receiving aged care treatment. The government have failed to meet the targets that they themselves established of 88 residential aged care beds for every 1,000 people aged 70 or above. The current shortage of aged care beds, according to the government’s own figures, is 4,613. In 10 years, the Howard government have turned the surplus of 800 aged care beds in 1996 into a 4,613 shortfall in June 2006. Their response to this is: ‘Who can I blame? Blame the states, blame anybody else, but do not blame me, because I am not taking any responsibility.’

Minister at the table, the Australian people are fed up with that. It has actually got to its use-by date. They want something different. When it comes to dental care we see the

same thing. One of the first acts of the Howard government in 1996 was to eliminate the Commonwealth Dental Health Program, citing the need to make savings. Since then, the government has consistently claimed that it is not the Commonwealth's responsibility to fund dental care, despite it being in the Constitution as such, that the Keating government never intended the CDHP to be an ongoing program and that it has fulfilled its goals of addressing waiting lists. The Prime Minister said in question time in December:

The states are responsible for the dental care of their communities, and it is about time they carried out those responsibilities.

So what is the response to the crisis in dental care? The blame game—blame the states, blame anybody else, but do not hold us responsible.

But this blame game is not just in health care, it is not just in hospitals, it is not just in aged care and it is not just in dental care. We see it in climate change—it is everyone else's responsibility. We see it in water policy, where it is again the states' responsibility, never the Commonwealth's. We see it in schools, we see it in TAFEs, we see it in training and we see it in immigration. The states cannot be blamed for immigration, but the government are blaming everyone other than themselves for the complete implosion of the effective management of the immigration detention system. We also see the blame game and the avoidance of responsibility with the \$300 million wheat for weapons scandal. We see it with Iraq. The Prime Minister today was at his best when he said the Baker report is all about a little change in tactics. This Prime Minister cannot accept responsibility—I asked him this three times—for the fact that policies in Iraq are not working. The Baker report says so. His spin line back—as the king of spin, the clever politician—is, 'It is a change of tactics.' That is about a change of strategy. It is

about a change of policy. It is not fiddling with the tactics.

When it comes to this Christmas, working families will suffer as well. We are going to hit the ground in the days ahead. We are going to take our alternative vision for the country's future out to the people. Over 10 days we hope to get to every capital city in the country and we intend to outline our alternatives for the future. We are not content with just being there. We are in the business of politics to make a difference—and make a difference we will.

Mr ABBOTT (Warringah—Minister for Health and Ageing) (3.38 pm)—I should begin these remarks by congratulating the member for Griffith on his ascension to the opposition leadership. I have always regarded the member for Griffith as an intelligent, articulate and decent man and I have not been disabused of those notions over the past few days. But I will say that he has the job ahead of him now and the job will not just be to construct a wish list; it will be to explain what real improvements he intends to make and to explain how he will actually make a difference. He said today that he was going to produce a new policy agenda over the next few weeks and months. I welcome that, and I think the Australian people will welcome that, because we are helped as a nation if there is a genuine debate between government and opposition on how we can best help the Australian people. Our people will not welcome more name-calling and more undermining of the respect in which this institution is held—more undermining of the respect in which politicians generally are held—by the kinds of attacks which we saw the Leader of the Opposition make today.

It is true that the Prime Minister is a clever politician. He would not have become a party leader and he would not have been Prime Minister for more than a decade were

he not a clever politician, but our Prime Minister is much more than that. The fact that the Leader of the Opposition is incapable of giving him credit for being more than just a clever politician not only shows the parallel universe which members opposite inhabit but also shows, if I may say so, an early lack of generosity of spirit which, if sustained, will do the Leader of the Opposition no good at all.

This matter of public importance is:

The need for the federal government to take responsibility for protecting Australia's prosperity and end the blame game.

All we heard from the new Leader of the Opposition for 15 minutes was a litany of blame. The Prime Minister was being blamed for everything. If you have a problem with the blame game, please start with yourself. Lift your own game. Do not keep blaming the Prime Minister for a whole host of things which, quite frankly, are not his fault. I think it is clear what the tactic of the opposition is going to be over the next 10 days on this big listening, big spruiking tour that they are going on. There will not be any alternative vision, there will not be any new policies, but every single thing that people are unhappy about in our country will be blamed on the Prime Minister. There will be nothing anywhere in our country that is going wrong or that is slightly less than we would wish it to be that members opposite will not blame on the Prime Minister.

I do not say that the government is perfect, I do not say that the Prime Minister is perfect, I do not say that we have all the answers to all problems and I do not say that we cannot in some ways improve; but I do say that a credible opposition has to give credit where it is due. Whatever faults this government has, it has many strengths as well. I think the Leader of the Opposition would gain in stature and win opening plau-

ditions from the Australian people if he were prepared to say on jobs, on wages, on taxes and on national security that there is much that this government has got right—two million new jobs, a 17 per cent increase in real wages, the real wealth of our country is double what it was in 1996 and, when it comes to income, according to the National Centre for Economic Modelling, the average Australian is 25 per cent better off. Some of these things no doubt happened because of reforms put in place by the previous government. Some of these things no doubt happened because of factors beyond the immediate control of this government. But much of this happened because of policies that the government has put in place and a little bit of credit where it is due would stand the opposition leader in good stead.

I want to dwell, if I may, on some hints of policy which are starting to emerge from the opposition leader. We have had in the newspapers over the last few days some suggestions that the opposition were moving towards a single-funder model in health as a way of ending the 'blame game'. Today we had the Premier of Victoria let the cat out of the bag, because he was asked the question: 'Kevin Rudd, the new opposition leader, has already called you and the other premiers to talk about federal-state relations. Would you like to give up funding hospitals?' 'No,' says Premier Bracks, 'we would prefer not to'. Of course, if the states do not want to give up funding hospitals, the federal government cannot force them to because under the Constitution that is the responsibility of the states. Premier Bracks said that he supported a single funding model and went on to say:

You know a contribution for the federal government and a contribution from the state and one body which administers that contribution and make sure that we have simple funding lines and less blame game and less overlap and we certainly support that ...

That is the proposition that Premier Bracks has confirmed is being put by the new opposition leader as a solution to the blame game in health. I have to say it is certainly not a new idea. For instance, back in 2004, before the last election, Premier Bracks commissioned a report by the Allen Consulting Group which called for, in chapter 8, a new health system for all Australians. It called for:

... the formation of a joint Commonwealth-State national body, the Australian Health Commission ...

to administer—

an integrated health system, under which regional health agencies would control a budget of pooled Commonwealth and State funds for acute, primary and community care, pharmaceuticals and aged care.

In fact, the new Deputy Leader of the Opposition, the member for Lalor, said in I think June of that same year, 2004, at the AMA conference:

The principal characteristic of a unified national health system must be that existing Commonwealth money, Medicare, the PBS, payments to nursing homes and payments made under the Australian Health Care Agreements are combined with existing state and territory money for hospital communities and mental health populations, of dental care and the like, and the combined pool of money is then applied to the population's health needs.

This policy is so old that no less a person than the now scorned former Leader of the Opposition, the member for Brand, said in September that a single funder was an option well worth considering by the Australian Labor Party. But, when you look at this single funder, you see that it is not going to end the blame game. It is not going to end the buck passing. What it is actually going to produce is something akin to the UK National Health Service here in Australia. What this single funder means is the death of

Medicare as we know it. In order to end this pernicious blame game, as the Leader of the Opposition calls it, they are going to end Medicare as we know it.

All that money which is currently spent by the federal government on Medicare, on the Pharmaceutical Benefits Scheme and on nursing homes and other aged-care facilities will be gone, all into a big pot. Who is going to run that big pot? Not the federal government and not the state government but some unelected, unaccountable bureaucrats responsible to no-one. I think health is too important to be left to the bureaucrats. I have to say that, the more Labor's new policy crystallises, the more I think that health is too important to be left to amateur politicians, politicians in training, politicians who are still thinking more like professors and less like politicians who have thought these issues through.

Let us consider for a second this new national funding body that will run everything. The first thing that the professors who run this national single funder will say is that there is not enough money in the system. Who are they going to go to to get some more money? They are going to go to the state governments. The state governments will say, 'Not our responsibility.' Then they will go to the federal government. The federal government will say, 'Not our responsibility.' The states will blame the feds, the feds will blame the states and the blame game will continue. But the politicians will have even less power, less capacity, to actually affect the outcome.

Suppose something goes wrong with one of our health institutions under Labor's brave new world and people go to the state health minister and say, 'We're very unhappy about what went wrong in our hospitals.' The state health minister will say: 'Not my job. Go and talk to the director-general of the Australian

health commission.' Suppose someone then goes to the federal health minister and says, 'Something is going terribly wrong in our hospitals.' The health minister will say: 'Don't talk to me. Go and talk to the director-general of the Australian health commission.' So you might finally get in to see the director-general of the Australian health commission, and I have to say that that individual will be a lot more isolated and a lot more remote than an elected politician who actually has to get around the country. It might take six months or a year. You might eventually get into see this individual. What is he or she going to say? They are going to say, 'Tough.'

There will be no election to remove that person and no opportunity to grill that person at Senate estimates because that person will not be a federal official. That person will not be a state official. That person will be a health tsar accountable to no-one. Yet that is the proposal that Labor is putting to us—to take away Medicare as we know it, to take away the PBS as we know it, to take away the aged-care system as we know it and to substitute something that would make what is a good but imperfect system much worse. It is a sign of a politically immature Leader of the Opposition that he is prepared to junk something that works in favour of the unknown, in favour of something which any serious reflection would say is just not worth it.

I am all in favour of reform where I am convinced that it is going to be an improvement. I am all in favour of new ideas where I think we really can do better than we are doing now. But I do not want to play games with our health system. I do not want to risk the health of Australians in pursuit of a theoretical system that has not been tried in this country and which, when subject to examination, is almost impossible to explain and almost impossible to detail.

I call on the Leader of the Opposition, lest people start to fear for the future of their health system, to come clean very quickly on exactly what he has in mind. Because I have got to say that for all the faults of the federal government's administration and the PBS, I reckon we have done a better job than the bureaucrats did at Bundaberg Hospital. I would much rather leave Medicare and the PBS as they are than have the same people that mucked up Bundaberg Hospital and gave us Dr Death in charge of everything. Yet that is what the Leader of the Opposition is proposing.

It is really quite paradoxical. We have got the member for Lalor screaming three weeks ago for the federal government to overturn the expert body—the PBAC—and do everything itself. Now she wants the whole damn system to be given to the sort of people who run the PBAC.

Ms GILLARD (Lalor) (3.53 pm)—This is the time of year when everybody is tired. I would have to say the Minister for Health and Ageing must be particularly so, given that contribution. Everybody is tired and everybody is looking forward to a Christmas break. That would be a feeling across the nation, but the malaise that is infecting the Howard government is more than just end-of-year tiredness. It is a far deeper malaise than that.

Mr Deputy Speaker Causley, as you see this government in this chamber, there is one impression that is overwhelming. Even this government's best friends would say that its best days are behind it. I do not think anyone in this country would suggest that the best days of the Howard government are yet to come. Its best days are behind it. It is an ageing government, a stale government and a government that is now full of excuses but completely lacking the reforming drive and zeal—the new ideas, the new energy, the

new style of leadership—required to make this country a better and fairer place.

It shows when a government gets this tired and stale. It shows in the way it handles issues, in the way it deals with problems and in what it is prepared to claim as successes. Let us just run through a list, even from today in question time, of the excuses this government has used for its poor performance. It was confronted with a major water crisis and its inability to get one more drop of water into the Murray river, despite the Prime Minister in February this year saying he was going to put a bomb under the process. When that is a fact confronting it, this government says, 'We've let a tender,' as if between February 2006 and December 2006, when you have 'put a bomb' under the process, letting a tender is good enough. Well, I would hate to see them on a slow day if that is their current definition of good performance.

Then we have got to the stage with this government where they come into this House and say: 'Incompetence is okay. Unless we have actually done something corrupt, it does not matter. Incompetence is okay.' Incompetence is the new standard of achievement for the Howard government. So at the end of this year, which has been so much about the wheat for weapons scandal, they proudly backslap each other because they are going to get away with gross incompetence, because incompetence is the new standard of achievement when you are as tired and as stale as they are.

And then another excuse has come into this government's rhetoric. The excuse is: 'We aren't the worst.' We saw the Prime Minister scabbling around in question time today for references to Labor immigration policy in the late 1980s and early 1990s to justify the fact that in 2005 and 2006 his government has been detaining Australian citizens, including children, and has been

seeking on at least one occasion to deport an Australian citizen. And this government's excuse to that is, 'Well, you know, maybe at some time in the dim and distant past something happened like that.' As a matter of fact that is not true; nothing like that happened. But imagine a government that is supposed to be in control of the country saying, 'Well, if we can ever look back across Australia's history and find another time someone made a mistake, that excuses us today.' That is the degree of malaise that is infecting the Howard government.

More than anything, we see it as they play the blame game. Nothing is ever their fault. This Prime Minister has made an art form of associating himself with success in this country. Indeed earlier, in my home town of Melbourne during the Commonwealth Games this year, the rumour through all the venues was: if you did not see the Prime Minister in the stands, we clearly were not going to win a gold medal. It was absolutely impossible at the Commonwealth Games for an Australian athlete to win a gold medal unless the Prime Minister was on hand to present it, associating himself with success. We see him jumping in his tracksuit watching his TV when we succeed on the sporting field in the soccer. And, if one is to believe the rhetoric, he is apparently the captain of our cricket team! That does not seem to be the case when I watch the cricket on TV, but I am obviously missing something. The Prime Minister is clearly the captain of our cricket team.

Mr Bevis—Until you see him bowling a ball!

The DEPUTY SPEAKER (Hon. IR Causley)—The member for Brisbane is warned!

Ms GILLARD—Yes, until they actually show him bowling a ball, as I am reminded

by the member for Brisbane, in which case the imagery very quickly dissipates.

He is always there, associated with the moments of success, but when it comes to the things that are going wrong in this country, they are someone else's fault. Most particularly, they are the fault of the states. Sometimes it is the fault of the trade union movement. Amazingly, frequently what is going wrong in this contemporary Australia is the fault of the federal opposition! Amazingly, that seems to occur in the view of the Howard government, even though they are in government and we are in opposition. The flaws of contemporary Australia must magically be our fault. So sometimes it is the unions, sometimes it is federal Labor, but more often than not it is the states.

This would all be just clever political rhetoric if it was not for the fact that playing the blame game, most particularly with the states, makes a difference to the lives of ordinary Australians. It has been my privilege to serve for some time now as the shadow minister for health, and I have seen it affect the lives of ordinary Australians as I have travelled around the country. I have met the old man at the Wangaratta Hospital who was trapped in an acute hospital bed for 14 months because they could not find him an aged-care place. I have met the doctor in Bega who told me that the single biggest reason she prescribed antibiotics was for infections in the mouths of those waiting for public dental care. I have been to the new hospital in Kyneton—a brand new building with no staff problems because it is a pretty good region in Victoria to live; it is a nice part of the world—and I have met the administrator who administers the 47 different funding streams that come into her relatively small hospital. She loses all that administrative time because of those 47 different funding streams.

To these practical problems that are out there in our health system the Howard government simply say, 'Too hard, not our problem, something to do with the states.' They get on TV and they blame state ministers and the state ministers blame them back. I can tell the Howard government and I am absolutely sure of this, having served the time I have in health: the Australian public are over it. They are sick of it. They are worried not just about the blame game, which is hurting them and their access to care; they are also rightly worried that, if we keep our health system in the same state it is now and we keep money flowing down the same old stovepipes for the next 20, 30 and 40 years, our health system will be unsustainable and broken. The Minister for Health and Ageing has tried to start a fear campaign today—he always does, faced with reform. The true fear of the Australian community is that without reform our health system will not be sustainable in 20, 30 and 40 years.

That is the absolute truth. The minister for health today basically put up a straw man, claimed it was Labor's policy and then tried to knock that straw man over. Heavens above! Let me assure you that the last person in this country who is ever going to know what Labor's plans are is the minister for health—the last person. But at the end of his remarks he said something so stupid and so inflammatory it requires response. He said that in effect we wanted to put bureaucrats like the bureaucrats at the Bundaberg Hospital, with the Dr Death scandal, in charge of Australia's health system. Honest to God! Why did we have the Dr Death scandal? In part it was because this government has not invested enough in training Australian doctors and nurses and largely because this government has been too lazy and too incompetent to get a national registration and accreditation scheme in place.

They are the things at the feet of the Howard government and it stands there opposed to reform. It is opposed to reform today because the minister for health in his heart of hearts knows that the only way of fixing Australia's health system is to have a big reform process. In the past he has talked about it and on each and every occasion the Prime Minister has slapped him down. Having had so many clips on the ear he is now going to do nothing. Well, the minister for health might not be brave enough and the Howard government might be too stale, too tired and too incompetent, but we are not going to leave Australians without the health system they need and deserve not just for tomorrow but for the 10 years after and the 10 years after that and the 10 years after that. That is one of the new agendas for Labor, and it is an agenda that the Australian community want to hear. (*Time expired*)

Mr CIOBO (Moncrieff) (4.03 pm)—This is a most curious matter of public importance that the Labor Party has put forward to the House. To listen to the new Leader of the Opposition and to listen to the new Deputy Leader of the Opposition one could be instantly taken by the *prima facie* proposition that they put. They say that the Labor Party under the new Leader of the Opposition is about a new style of leadership. We heard the Leader of the Opposition say that the Labor Party under him will be about a new set of policies. In the debate today we have heard from the Australian Labor Party, to reinforce this point, two key arguments.

The first argument the Australian Labor Party puts forward is with regard to industrial relations and in particular this government's record on Work Choices. The second argument that is put forward by the Australian Labor Party deals with the issue of Australia's health system. We heard in remarks just made by the deputy leader that the Labor Party, for the next 10 years and for 10 years

beyond that, would be committed and focused on improving Australia's health system.

I would like to turn to some of the central arguments that Labor have put forward. The Leader of the Opposition made one key comment that really stuck with me. He said that the Australian people were starting to see through the government's line. He said that the Australian people could see through the politics and the blame game. We heard the Leader of the Opposition and the Deputy Leader of the Opposition trying to demonstrate, through approximately 25 minutes of rhetoric, that the Australian people were not as well off today as they were when the Labor Party was in power. This is a key point because Labor Party policies have been trialled on the Australian people previously. Labor Party policies at a state level are currently being implemented by the Labor Party in the various state governments. What have been the outcomes of Australian Labor Party policies?

We hear the Leader of the Opposition say that the Australian people need to reflect on the performance of the Prime Minister and his government. In particular, the argument was made that the Prime Minister is happy to accept credit for good results but is not prepared to take the blame and that any attempt by government to highlight inaction or resistance which has led to adverse outcomes is an attempt to engage in the 'blame game'—they were the words that they used. Given that the new Leader of the Opposition, as the *Daily Telegraph* said, seems to be a man that is all about style but not particularly about substance, what do other people say?

Do not take my word for it; do not take the word of the Leader of the House, the member for Warringah; do not even take the Prime Minister's word, if the Labor Party would like. Let us see whose word we will

listen to and who has spoken about federalism and cooperative federalism. Let us see what others have said about the way in which the federal government and the state governments are working, because the entire thrust from the Leader of the Opposition and from the deputy leader is that this government is just engaged in a blame game and that the consequences for the Australian people are poor. This is what Steve Bracks, the Labor Premier of Victoria, had to say:

I think people are sick and tired of the blame game.

That resonates, doesn't it, Mr Deputy Speaker? We have heard that somewhere this afternoon. He continued:

I think people are sick and tired of the blame game. They want us to get on with the job. They want us to have real reform which is going to sustain our economy and our population for a long time to come, and they want us to look not at just the short term but the long term ...

But there is not a full stop there. The quote continues:

... that is what's been achieved as part of the COAG agenda.

So the very lines we have heard the Leader of the Opposition using, the very lines we have heard the Deputy Leader of the Opposition using, have been entirely rebutted, purely and simply, by the Labor Premier of Victoria, just recently re-elected, who said that we are getting on past the blame game, we are delivering real reform, sustaining the economy and the population for a long time to come and 'that's what has been achieved as part of the COAG agenda'. He continued:

For those who are knocking the Federation, knocking the States and Territories and knocking the relationship between the States and Territories and the Commonwealth, today is evidence, further evidence, that we are doing what the public expect, and that is not to continually snipe at each other, but get on with the job of delivering real

services to our public, to the public in Victoria and the public in Australia more broadly.

So with respect to the Leader of the Opposition, who clearly is a man that has style but not substance, I would say to the Australian people: never trust the style; look for the substance. He might be presenting as new, but can I say that if there is one message to drive home to the Australian people it is this: that tribe might have a new chief but they still dance to the same beat. And the people that play that beat in the Australian Labor Party are the trade union movement. We have had Labor Party policies before; we have had union policies before; and the results were very bad for the Australian people.

This whole argument can be encapsulated in this one brief comment. The thrust from the Leader of the Opposition and the deputy leader was that this is 'new Labor'—a new style of leadership, new policies. The key argument they used to illustrate how this government was being unfair was to talk about Work Choices. So my question is this: why then, if Work Choices is such a problem for the Australian Labor Party and this is the new Labor Party with the new leader, the new style, the new policies, is your policy on Work Choices exactly the same as it was under Kim Beazley? Why is it that an hour-and-a-half before the new Leader of the Opposition came out and addressed the Australian people, Labor's policy on industrial relations was announced by Sharan Burrow, the head of the ACTU? I repeat: it might be a new chief but the drumbeat is the same, and that drumbeat is played by the ACTU and the various trade union movements around Australia.

Let us turn to substance. We heard 25 minutes of rhetoric from the Australian Labor Party but let us look at what this government has delivered for the Australian people. Let us move beyond the general comments that we had from the Leader of

the Opposition, the general comments we had from the deputy leader, and actually deal with some facts, because I do not think I heard too many from the Leader of the Opposition—and especially not from the deputy leader, who started by talking about cricket teams, tracksuits, which Commonwealth Games finals the Prime Minister went to and so on. Let us put all of that to one side. That will never wash with the Australian people. They can see through that. What the Australian people want to hear from the opposition are your policies and the results. And in this respect I am proud of this government's achievements. I am proud of a couple of key things. I am proud that under the Prime Minister and under the policies of this government we have reduced Labor's \$96 billion of public debt to zero—one of the key accomplishments. In terms of interest savings for this government, as a result of paying off this debt, we have seen now that the Australian people have an additional \$8 billion to spend on schools, hospitals, roads and tax relief. So this government has \$8 billion of additional money that it can spend to help the Australian people because we have paid off Labor's \$96 billion of debt.

What about employment? This apparently is a key issue for the Australian Labor Party. Let me say to the Australian Labor Party: if you are so concerned about fairness, explain why you had one million Australians in unemployment queues. If the Labor Party wants people to have a festive Christmas, believe you me, the Australian people would rather have a job than no job at all. And thanks to this government and thanks to Work Choices, we have now seen an increase of some two million Australians that have jobs. Since the introduction of Work Choices by this government, we have seen the creation of over 200,000 jobs. This has brought unemployment in this country down to 30-year record lows. I repeat: the Australian

Labor Party should move beyond the spin and rhetoric and talk about facts. That is what the Australian people want to hear. Stop listening to the same tired old drumbeat that you march to by the ACTU and come up with some new policies. If you need some inspiration, look to the government side. *(Time expired)*

The SPEAKER—Order! The discussion is now concluded.

**FINANCIAL SECTOR LEGISLATION
AMENDMENT (TRANS-TASMAN
BANKING SUPERVISION) BILL 2006**

**PRIVACY LEGISLATION
AMENDMENT (EMERGENCIES AND
DISASTERS) BILL 2006**

**INDIGENOUS EDUCATION
(TARGETED ASSISTANCE)
AMENDMENT BILL 2006**

**EDUCATION SERVICES FOR
OVERSEAS STUDENTS LEGISLATION
AMENDMENT (2006 MEASURES No. 1)
BILL 2006**

**EDUCATION SERVICES FOR
OVERSEAS STUDENTS LEGISLATION
AMENDMENT (2006 MEASURES No. 2)
BILL 2006**

**AUSTRALIAN NUCLEAR SCIENCE
AND TECHNOLOGY ORGANISATION
AMENDMENT BILL 2006**

**CHILD SUPPORT LEGISLATION
AMENDMENT (REFORM OF THE
CHILD SUPPORT SCHEME—NEW
FORMULA AND OTHER MEASURES)
BILL 2006**

**INSPECTOR OF TRANSPORT
SECURITY BILL 2006**

**INSPECTOR OF TRANSPORT
SECURITY (CONSEQUENTIAL
PROVISIONS) BILL 2006**

**JUDICIARY LEGISLATION
AMENDMENT BILL 2006**

**ABORIGINAL AND TORRES STRAIT
ISLANDER HERITAGE PROTECTION
AMENDMENT BILL 2006**

Assent

Messages from the Governor-General reported informing the House of assent to the bills.

COMMITTEES

Migration Committee

Electoral Matters Committee

Membership

The SPEAKER (4.14 pm)—I have received a message from the Senate informing the House that: Senator Kirk has been discharged from the Joint Standing Committee on Migration and Senator Polley has been appointed a member of the committee, and Senator Hogg has been discharged from the Joint Standing Committee on Electoral Matters and Senator Sterle has been appointed a member of the committee.

**ROYAL COMMISSIONS AMENDMENT
(RECORDS) BILL 2006**

Returned from the Senate

Message received from the Senate returning the bill without amendment or request.

COMMITTEES

Members' Interests Committee

Report

Mr CIOBO (Moncrieff) (4.15 pm)—As required by resolutions of the House I table copies of notifications of alterations of interests received during the period 23 June 2006 and 6 December 2006.

Publications Committee

Report

Mrs DRAPER (Makin) (4.15 pm)—I present the report from the Publications Committee sitting in conference with the Publications Committee of the Senate. Cop-

ies of the report are being placed on the table.

Report—by leave—adopted.

Family and Human Services Committee

Report

Mrs BRONWYN BISHOP (Mackellar) (4.16 pm)—On behalf of the Standing Committee on Family and Human Services, I present the committee's report, incorporating dissenting reports, of the inquiry into balancing work and family responsibilities, together with the minutes of proceedings.

Ordered that the report be made a parliamentary paper.

MAIN COMMITTEE

Procedure Committee

Reference

Mr BARTLETT (Macquarie) (4.16 pm)—by leave—I move:

That the resumption of debate on the motion to take note of the following Standing Committee on Procedure reports be referred to the Main Committee: Encouraging an interactive Chamber, and Motion to suspend standing orders and condemn a Member: Report on events of 10 October 2006.

Question agreed to.

Family and Human Services Committee

Reference

Mr BARTLETT (Macquarie) (4.16 pm)—by leave—I move:

That the resumption of debate on the motion to take note of the following Standing Committee reports be referred to the Main Committee: Balancing work and Family: Report, December 2006.

Question agreed to.

SPECIAL ADJOURNMENT

Mr HOWARD (Bennelong—Prime Minister) (4.17 pm)—I move:

That the House, at its rising, adjourn until Tuesday, 6 February, at 2.00 pm, unless the Speaker or, in the event of the Speaker being un-

available, the Deputy Speaker fixes an alternative day or hour for the meeting.

The House is coming to the end of this session and will rise this evening for the Christmas break. As is traditional in this place at this moment, we pause to engage in what are called the valedictories—they are sometimes given a less reverent title outside of this place. But it is an occasion to look back on the year. It is an opportunity for me and, I know, an opportunity for the Leader of the Opposition to express our gratitude to those people who have made such a contribution to the working of this parliament and made our political and public lives possible.

First and foremost, I want to say a couple of things about the state of our country and what has happened to Australia over the last year. Leaving politics aside, I think it cannot be gainsaid that we go to Christmas as a remarkably fortunate group of 20 million people. This remains an incredibly blest and lucky country, a lot of it due to our own effort, a lot of it due to the blessing of providence. It is a year that has seen Australia continue to prosper; and whilst there remains legitimate debate about whether it could be more or might be less if anything else had been done, that is not really my purpose in this speech.

But it has been a year of particular adversity for one section of the Australian community, and I commence my assessment of the year by acknowledging the enormous strain, difficulty and pain of the severe drought on rural Australia. When you think of our country you automatically think of the bush. It is something that is a very special part of our nation and it is something that has helped to define Australia for generations. The suffering of people in rural Australia due to the drought has been absolutely incalculable. I want all Australians who live in country areas to know that the thoughts of their fellow Australians are with them as they

grapple with the adversity that the drought has brought them and, despite that adversity, they endeavour to celebrate Christmas as much as possible.

It has been a year in which, as well as drought, other natural disasters have hit different parts of the country: cyclones Larry and Monica; the Victorian bushfires, which rage as we speak; and the flooding in Katherine in April. The cooperation of the Commonwealth and Queensland governments in responding to the cyclone in Far North Queensland was remarkable and I pay tribute to the leadership of General Peter Cosgrove, who was put in charge of the relief operation by the Queensland government. He has once again demonstrated his remarkable leadership skills and his remarkable capacity to connect with the ordinary Australian.

I am sure, as an inspirational story of human survival, the survival of Grant Webb and Todd Russell in the Beaconsfield mine disaster was undoubtedly the highlight of the year. It was a survival against every conceivable odd. The remarkable story went around the world. It gripped all of us. It saw the very best of the Australian spirit. It saw everybody cooperating—the company, the union, the workers, the local community, the local churches and the local mayor. Everybody did their job. It was an inspirational example of the capacity of this country when it is required to put aside differences and work together. I think all of us were touched in a profound way by what occurred. I guess the final demonstration of Australian mateship in that great drama was the decision of the family of Larry Knight to postpone the funeral of their loved one so that the rescued miners could attend that funeral. It was tinged, of course, with sadness but, all in all, it was a remarkable event.

The Commonwealth Games were an extraordinary tribute to the capacity of the city

of Melbourne, which worked together in a cohesive way that I think no other city of Australia could have done.

Ms Macklin—Hear, hear!

Mr HOWARD—Yes, I say that very generously. I even took a bit of stick from a couple of people in Sydney for having the audacity to say it. But my experience has been that, as an exercise in social, community and civic cohesion, the city of Melbourne is quite remarkable. It is a different city from other cities in that respect—and, if you want to get something done in an organised fashion, they do it very well indeed. The spirit in Melbourne over the Commonwealth Games was wonderful. I think everybody in this place, irrespective of the side they sit on, would like the reception that the Lord Mayor of Melbourne received every time his name was mentioned. John So has become something of a cult hero in Melbourne. I do not know what it is, but all of us had better find out, as it might improve our prospects.

Mr Rudd—He speaks Chinese.

Mr HOWARD—He speaks Chinese, does he? That is very good—*ouche*! The event was quite remarkable and a great tribute to the capacity of Australia to organise those events. I look forward to the day when Australia will host a soccer world cup. I continue to use the expression ‘soccer’ because we Australians know it by that name. Calling it football is thoroughly confusing, certainly for most of us.

Turning to this place, it has been a year when sadly we have lost some giants of the Australian political scene: Don Chipp, the founder of the Australian Democrats; two members who were perhaps not so well known except to some of the Liberals who have served in this place for a long period of time—namely, Sir Allen Fairhall, who was the last of the Liberal forty-niners, and Sir Reginald Swartz, who was also a Liberal

forty-niner. I think, when he served here, he held the distinction of being the most senior in rank amongst those members from both sides of the House who had been prisoners of war of the Japanese in Thailand and had worked on the infamous Burma-Thailand railway. More recently we mourned the death of Sir Harold Young of South Australia, the former President of the Senate.

It has also been, in this place, a year of significant change for the Australian Labor Party. In a spirit of proper respect to the nature of parliamentary politics, let me again welcome the Leader of the Opposition to the dispatch box for these valedictories and wish him and his wife, Therese, and their three children a very happy and peaceful Christmas. All of us continue to feel very much for Kim Beazley and his wife, Susie. The loss of Kim’s brother was a terrible blow on the day of the leadership change. All of us also think of Kim’s parents, Kim and Betty. To them, we send our good wishes at this time of particular travail.

On my side, I pay a very particular tribute to two people. I want to thank Mark Vaile, the Deputy Prime Minister and the Leader of the National Party. I think we all recognise that, in a coalition government, inevitably there are some strains and differences. That is natural and there is no point in denying it. But this coalition has been remarkably free of those. I have served in a couple of coalition governments and I can say that the equanimity, the calm, the peace and the sense of tranquillity of this coalition has been quite remarkable. That has been due in no small measure to the contribution of three wonderful National Party leaders: Tim Fischer, John Anderson and the current Deputy Prime Minister and Leader of the National Party, Mark Vaile. I wish Mark and Wendy every good health and happiness and a good rest over Christmas.

I pay tribute to Peter and Tanya Costello. Peter, of course, is the other great mainstay at the very top of the government and he has carried a great load in the last 10½ years. He has been the best Treasurer this country has ever had and he has made a remarkable contribution of economic stewardship. I thank Nick Minchin and Helen Coonan, the Leader and Deputy Leader of the Government in the Senate, and Kerry Bartlett. I think everybody would say, no matter what their politics, that the Chief Government Whip's nature is gentle and he is a person who looks after everybody. He is very solicitous towards his colleagues and he represents their concerns, periodic though they may be, to the leadership of the government. And his good friend the member for Corangamite, my good friend and longstanding colleague, and Joanna Gash, the member for Gilmore, and my colleague whips in the National Party, formerly the member for Mallee and then the member for Riverina, formerly Riverina Darling—I thank all of them.

Mr Hardgrave—She's the darling from Riverina.

Mr HOWARD—She is the darling from Riverina, yes. Finally, I turn to in-house matters. The shy, retiring Leader of the House who constantly hides his light under a bushel—I do want to pay tribute to him. My personal staff have once again been indefatigable. I particularly mention the death during the year of a wonderful adviser, John Perrin, who was my adviser on health and social security matters. John contracted bowel cancer; it was discovered during the currency of the election campaign in 2004 and he fought a long and courageous battle. He was a person of immense charity and strong faith. His death at the very early age of his late 40s really affected us all a great deal and he left a wonderful legacy. I acknowledge the contribution John made in advising me in relation to such things as the Medicare safety net and

the family relationship centres—two very significant policies that I regard as profoundly positive in their effect. He was one of those advisers that you come across infrequently and he made a great contribution to the quality of advice in my office. I honour his memory on this occasion.

Arthur Sinodinos, my chief of staff, has been a wonderful leader of the office and a wonderful leader amongst all of the government staff. Tony Nutt, the principal private secretary, comes from what you might call a very political background. I frequently say of him that he knows where all the Liberal Party bodies are buried from coast to coast. He started in Western Australia and he has been everywhere and he has ended up in Canberra. I also thank Tony O'Leary, my press secretary, and Suzanne Kasprzak, my personal secretary. It is also important, for a Prime Minister anyway, to thank my Australian Federal Police protection team. It has not been too bad this year, but it can be a nasty job on occasions—no matter who the Prime Minister is—and I do want to thank them very warmly. I had an opportunity to thank in the traditional manner Peter Shergold, the head of the Prime Minister's department, and all the other senior people in the Public Service at the senior officer's drinks at the Lodge.

I want to thank you, Mr Speaker, for your unfailing courtesy and your commitment to your job and to wish you and your wife a very happy Christmas and a restful time into the New Year. These two absolutely wonderful people who sit at the table, Ian Harris and Bernard Wright, are always very helpful—

Honourable members—Hear, hear!

Mr HOWARD—Yes—really first-class men who do a wonderful, impartial job of keeping the parliament going in the best of the Westminster tradition. I thank all of the staff, the attendants and the Commonwealth

car drivers for their great contribution. At a political level, can I record my thanks to Brian Loughnane, the Federal Director of the Liberal Party. He is going to have a busier year next year. This year has been very busy. It is going to be superbusy next year because at some time next year—

Mr Murphy—The 13th of October!

Mr HOWARD—Is it really? Thank you. You heard it first from the member for Lowe.

Mr Murphy—You'll call it straight after APEC.

Mr HOWARD—I'll call it straight after APEC, will I? I see! Very interesting. It's not the Labour Day weekend, is it? You want me to rule it out, do you? I thank all of those people for their contribution, including Chris McDiven, the federal president of my party. I thank them.

There is one other group that I want to thank most fervently of all: my wife, Janette; my three children, Melanie, Tim and Richard; and Melanie's husband, Rowan, who is wonderfully a part of our family. I have been very lucky. I have three wonderful adult children. The greatest thing you can do in life is to have three children and for them to grow up, and you are still the very best of affectionate friends when they grow to adulthood. Gee, I am very, very lucky in that respect and I thank them, and I thank God for the opportunity I have had to share that relationship with them. Janette has been the pillar of my life and her counsel, love and support have been fundamental to any success I have achieved in public life, and I want to record that gratitude. We all think of our families particularly at Christmas but we are close to them all of the time. I hope I speak for everybody in this chamber in saying how important our children are to us. I know family is important to every member who sits opposite, as it is to every person who sits behind me. But, in my case, I take this op-

portunity of publicly expressing the immense gratitude I feel to them for their love, support and counsel through the year.

The last thing I want to say is on the nature of the event we go to. We go to Christmas to celebrate the birth of Jesus of Nazareth and to acknowledge the extraordinary contribution of Christianity to the moulding of this country. It remains the case that the Judeo-Christian ethic has been the greatest moral influence and the greatest shaper of the behaviour of human endeavour in Australia. It has been and remains the greatest force for good in our community. The organised Christian church, like any other organisation, has made many mistakes and, like any other organisation, it contains its share of hypocrites, but overall the influence of the Christian religion in this country remains a remarkable force for good.

I acknowledge the fact that many Australians, whilst they join in celebrating Christmas and enjoy the festive and family part of it, do not see any particular religious significance in it. In a secular country, that is as it should be. I believe in a secular society in Australia in the sense that we do not have any organised religious adherence. We do not have a state ordained religion, but I think we are, nonetheless and despite that, stronger for it: we are a country where the influence and the deposit of Christianity remains very strong. To me and to millions of other Australians, the central importance of Christmas is to mark the birth of a man who has had a greater influence on the world than any other single human being. It is a very important thing to acknowledge that.

It is the time, flowing from that, to recognise that, despite our extraordinary bounty, we are nonetheless a country that has within its midst people who have not shared that bounty. One of the obligations all of us have in different ways is to try to make sure that

next year there are still fewer of them. I suppose we will never get to a situation where there are none of them, but we ought to retain a sense of hope because, despite everything that is said about the direction of the world, by any measure there are fewer people in poverty, there is less disease and people are living longer and healthier lives—not only in countries like Australia but also around the world—than ever before. I sometimes think that we allow ourselves to be overwhelmed by a negative view of the state of the world. If we look at what has happened over the last 50 years, if we look at the extraordinary liberation of hundreds of millions of people from poverty and the remarkable contribution that different global economic forces have made to that, it is a cause for hope and a cause for optimism.

Very finally, I spare more than a thought for the men and women of the Australian Defence Force who are serving their country loyally and magnificently in different parts of the world. It is a lonely time for them. It is a time of separation. It is a time when the thought of family and loved ones is very acute. We should never forget the sacrifice they make, and we in this country should always, whoever is in government, have a special place in our affections and a special place in our hearts for those people who put their lives on the line in the name of this country to do what they are asked to do by the elected government of this country.

To all of my colleagues who sit behind me: thank you very much for your great help and support through the year. It has been a great year for the coalition. I hope next year is an equally great or even greater year for the coalition. That is in our hands and in the hands of the Australian people.

On a personal basis, I wish the Leader of the Opposition well. I wish a merry Christmas to the Leader of the Opposition. I con-

gratulate those who have been elected to the frontbench. We look forward to rejoining the battle, the struggle, the strife and the turmoil in the interests of the Australian people when the parliament reconvenes in February next year.

Mr RUDD (Griffith—Leader of the Opposition) (4.40 pm)—I thank the Prime Minister for his gracious remarks as we begin to think about celebrating the Christmas season. As I look around the chamber and see the looks of fatigue written on the faces of those from the government benches—I assume they are equally written on the faces of those who sit behind me—I know we all in our heads and our hearts have in mind, first of all, escape from this place and, soon, being placed back in the bosom of our families. This is a demanding life. Everyone who is in this place knows that and knows that acutely. It is particularly demanding on our families. So it is good that the Christmas season has come so that we can be with them and return refreshed.

For my new deputy, Julia Gillard, the member for Lalor, Christmas has not quite come yet. The member for Lalor and I will be embarking on a 10-day whiz around the country. As we visit various electorates of members over there, we will be kind and Christian in our remarks about some of you opposite, if not all! Once that is concluded, we will be returning home for much-needed rest as well.

The Prime Minister reflected on the significance of the Christmas message for those who come from the Christian tradition. He and I both come from that tradition, and Christmas does have a particular spiritual significance, which I share with him. For those who do not come from that tradition, it is an enormous opportunity and time still for festive celebration and to spend time together as families. That is good for our entire

Australian family, be they from a faith community or from a non-faith community.

For the nation at large—and the Prime Minister spoke of this as well—as we reflect on the year it is the message of the ages in Australia that this is indeed an uncertain land. The impact of natural calamity, the impact of uncertain events in the form of flood, of cyclone, of drought and of fires—including those raging right now as we speak in this chamber—reminds us of those who are most exposed to these natural calamities. In particular, there is the impact, as the Prime Minister also referred to, on those who are suffering from drought. As I—as all of us in this chamber do—travel across the country in aircraft and look down, what causes me greatest despair is that wherever you are flying these days the dams are so low, the reservoirs are so low and the land is so parched.

When I was a kid growing up on a farm in south-east Queensland we never used to have water problems in that part of Queensland. We do now. Something is happening out there. It is not the time for a debate about climate change, but, as we look at what is happening across our country and think of those whose livelihoods are so much on the line when it comes to this extraordinary drought that the nation is now experiencing, our hearts go out to them and our policy minds need to go out to them as well for the long term.

Beyond rural Australia, and beyond those affected by these extraordinary natural events, there are those other Australians who are also doing it tough at this time of year. Christmas for many people is a time of great celebration, of gathering together as families and sometimes as communities. For other Australians it can be a very painful time. For people who have suffered loss, for people who are experiencing loneliness, Christmas can have a different significance. So at times

like this it is important—and I am sure all members here will be doing the same—to reflect on those who are finding their lives difficult and for whom Christmas may not be a time of great celebration.

When we turn our thoughts to the parliament, I thank the Prime Minister for his generous remarks in relation to the former Leader of the Opposition, Kim Beazley. I thank him also for making available to the former Leader of the Opposition, Mr Beazley, a government aircraft to return quickly to Perth the other day following the tragic death of his brother. That was a kind gesture on the Prime Minister's behalf, and we in the Labor Party thank him for it.

Kim's contribution in this parliament has been reflected on a lot. He was an extraordinary contributor to the life of our nation, he continues to be an extraordinary contributor to the life of our nation, and, for our party, he has been a person whose significance goes beyond the years. Tomorrow, in Perth, Kim will farewell his brother David, who died so tragically earlier this week, and we in the Labor Party, and many others, will be thinking of Kim, Susie and his family at that time. The member for Jagajaga will be travelling to Perth and representing our thoughts; wishes and prayers at this difficult time for Kim and his family.

The member for Jagajaga has served for a long time as Deputy Leader of the Opposition. I would like to use this opportunity in my valedictory to pay particular tribute to the work that she has done on behalf of the opposition, on behalf of the parliamentary Labor Party. Jenny is a terrific person. Jenny's work behind the scenes on policy for Labor has been tireless, has been selfless and is unknown to many of those who sit opposite—in fact, unknown to many of those who sit on the opposition benches. But I would like to use this opportunity in my valedictory

to place on the *Hansard* record my appreciation for the self-effacing work which she has done, work which has been critical to the entire operation of the parliamentary Labor Party. I wish Jenny and her family all the best for the Christmas season, and I am sure she will appreciate the opportunity for rest which now presents itself.

To the Prime Minister, his wife, Janette, and their family, I wish a very restful Christmas as well. I know, from having observed the Prime Minister in public with his wife Janette on so many occasions, that they are indeed very close. It is plainly a time when they will be able to spend time together and recover from the rigours of the year and prepare for the next—don't recover too much, Prime Minister.

To the Deputy Prime Minister, who has now gone from the chamber—I was going to say something about Mark Vaile.

An opposition member—There he is!

Mr Vaile—I knew you were going to do it!

Mr RUDD—It is not a question about manufacturing. I have a confession to make. I have a particular affection for the Deputy Prime Minister and the former Minister for Trade. As his sparring partner of some time in our respective occupancy of the trade portfolio—one in government and the other in opposition—I have a view that the Deputy Prime Minister is a decent bloke. I have enjoyed working with him, although you could not necessarily tell that from some of the questions I have asked him during the year. I wish Mark and his family great rest and recuperation time over Christmas.

To my caucus colleagues, this has been a very challenging year for all of us. It has had a difficult conclusion; we all know that and we feel that intensely on our side. I pay tribute to the sensitivity with which members of the parliamentary Labor Party have handled

the events of the last week in particular. I say to my colleagues in the parliamentary party: rest well, return to the embrace of your families and your loved ones. It is time to experience the nurture of that and to be strengthened by it, because 2007 will return us to the event whose date the member for Lowe was speculating on—with some accuracy I fear.

Mr Murphy—He hasn't ruled it out!

Mr Howard—No, and I don't intend to!

Mr RUDD—Speculating on it with some accuracy, given the Prime Minister has now confirmed the election will be on 13 October!

I have referred to those opposite, but I also wish senators and members of other political parties—the Democrats, the Greens and the Independents—well. I thank Tony Windsor in particular for the courtesy he extended to me when I visited his electorate in New South Wales.

Mr Speaker, from time to time we blue with you. That is the nature of this place. We try to do so with humour, with respect and, inevitably, with accuracy. We know that, after you have returned to your family and your community for rest and recreation over the Christmas period, you will return to this place refreshed as well—and even more seized of the accuracy of our interjections, the robust nature of the argument we put forward based on the standing orders and our interpretation of them. Thank you, Mr Speaker, for your support. On a private and personal note, I would like to note the way in which you interact with members of our side of politics at a personal level. We appreciate that and thank you for your work in that respect.

There are 3,000 or so parliamentary staff around this building and its broader precinct who assist, in many ways, the work of members of parliament and make our life in this place possible. To Ian Harris, the Clerk of the

House of Representatives, to his staff and to Bernard, we thank you for your services, always conducted in a professional and friendly way to those who represent the opposition party in this place.

Mr Murphy interjecting—

Mr RUDD—A drum roll from the member for Lowe. I also thank the Sergeant-at-Arms and the attendants at the Parliamentary Library. The Parliament Library staff—for those of us who do not sit on the treasury bench, and for those of you opposite who recall your time on the opposition benches—occasionally come in handy! We thank them for their professionalism and the work they do under extraordinary pressures and, I fear, under some challenge to their resources. I hope that their ability to perform the excellent service they have in the past can continue into the future.

To all the Hansard staff, whose unique challenge it is to make sense of what we in this place say from time to time, I extend, through the Hansard reporter at the table at the moment, our Christmas greetings. To the Table Office, the Parliamentary Relations Office, who assist us with our travel abroad and provide other assistance to members, our travel agents, the broadcasting staff, the IT support, the security guards, the cleaning staff, the maintenance staff, the gardeners, the switchboard staff, the catering staff and the Comcar drivers—who make it possible for us to be vaguely on time for some of our appointments—we thank them one and all for the assistance which they have given us.

I turn to Labor's leadership team and would like to place particularly on record my thanks, appreciation and support for the new Deputy Leader of the Opposition, Julia Gillard, who in recent times has also been the Manager of Opposition Business. I would like to thank Julia for her excellent work as Manager of Opposition Business, given the

depths of the provocation by the Leader of the House, which she has always responded to with good humour and, I think, acute rebuttal. Behind the scenes, I am sure that Julia and Tony in fact have a very good personal working relationship.

Ms Macklin—There he is, right on cue!

Mr RUDD—As the Leader of the House comes into the chamber, I will ask him to explain himself in relation to the last remark I made, which may have dented his credentials in the eyes of his colleagues!

To the Senate leadership team, I pass on my thanks and Christmas greetings to the Leader of the Opposition in the Senate, Chris Evans, and the Deputy Leader of the Opposition in the Senate, Stephen Conroy. In Stephen's case in particular, he and his wife, Paula, have experienced wonderful joy in recent times with the birth of their beautiful baby, Isabella.

The Chief Opposition Whip, Roger Price, acts for us as—shall I say—pastor-general of the parliamentary Labor Party. Those of us on this side of the show who are in pain, trouble and torment or have particular joys to share beat a path to Roger's office. He is a first-class whip. He is a no-nonsense whip but a person of great humanity and compassion and a person who knows how to deal with some of the difficulties in this place and keeps a great supply of Scotch in his office.

The Prime Minister referred to members of his own party organisation, including Mr Loughnane. In fact, I ran into him at a restaurant last night.

Mr Howard—He told me!

Mr RUDD—He wished me well. He did not add a qualification, Prime Minister; he just wished me well. I hope your relationship with him is good. In similar vein, I would like to pass on my thanks, appreciation and Christmas greetings to Tim Gartrell, the ALP

national secretary, and all the staff who assist us at the ALP national secretariat.

To the staff of the parliamentary Labor Party—all those who assist us in this place and make our lives possible given the impossible demands we often place on them—through these remarks I would also pass on our particular thanks for their work during what has been a difficult and challenging year for us all. I send thanks to our electorate staff, who keep the home fires burning while we are here in Canberra. Increasingly, in my experience during my time in parliament, our electorate staff shoulder a greater and greater burden in terms of the people who fall between the cracks out there in the community.

This is not a debate about the blame game, Prime Minister, but people fall between the cracks of those responsible, whether it is a Commonwealth agency, a state agency or local government. Often there is simply nowhere for them to go. Our electorate staff are increasingly becoming undersalaried counsellors for the community at large. There is a great social fracturing out there in Australia at the moment which we need to be mindful of. I think our electorate offices often become the point at which that is made manifest to us. I find in my experience as a member the complexity, depth and number of cases of people in acute need increasing and increasing greatly year by year. So we thank our electorate staff one and all.

Finally on the subject of staff, I particularly acknowledge the role played by David Fredericks, the former chief of staff of the former Leader of the Opposition, Mr Beazley. 'Freddo', as he is known to everyone in this building, was a very good and very loyal chief of staff and someone who managed the Leader of the Opposition's office with great professionalism and distinction. I know he had a good professional relationship with the Prime Minister's private

office, and he was held and continues to be held in high regard by all of us in the parliamentary Labor Party. In the deputy leader's office and the office of the Manager of Opposition Business, I would also pay particular tribute to the role played by Silvana Anthony and the work that she has done.

The Prime Minister also rightly referred to our troops abroad. The Prime Minister is right. This always goes and should go beyond politics. It goes beyond whether we support a particular military engagement or not. I have visited and met with our troops in the field in Iraq. I have seen their operations in East Timor. When I was in Afghanistan they were not there, but they are back there now, so I know something of the terrain in which are they operating. These are very difficult and dangerous operating environments. You know that intellectually and then you go there. I know many members of the parliament have gone there and have seen what they are doing in the field. At times like this, at Christmas, when they are separated from their families, the acuteness of the sense of separation knows no easy description. So I would ask all members to bear our men and women in uniform in mind and in their prayers at this difficult time. I am particularly concerned about the operating environment in Afghanistan. I think it is going to become increasingly difficult and dangerous. I worry greatly about the safety of our troops there; I know the Prime Minister would as well. But at this time we send them our best greetings. It is a good thing that in this parliament and this country we have got to a stage where sentiments of this nature have absolutely no divide anymore.

Finally, on my personal staff, I thank my own chief of staff, Alister Jordan, who has been with me for the last five years. He needs a rest as well, and I am giving him this weekend off—then it is back to work! Then there are my policy advisers, Kate Callaghan

and—I can confirm publicly the name of my other policy adviser—James Bond. I thank them for their work as well. I assure those on the government benches that they will be engaging in no James Bond-like activities.

I thank my own electorate staff, Gina Tilley, Mary Mawhinney, Louise Bell, Fleur Foster and Joel Lyneham, who have assisted me enormously in dealing with my community in Brisbane. Volunteers also have assisted both in my parliamentary office and back home in Brisbane: Marcus Bartley Johns, Roseanne Toohey, Denise Jefferson, Joan Dunn and Lorna Clarke—I thank them all. Without them, handling the correspondence load into my office would simply be impossible. To the people of my electorate of Griffith in Brisbane, I thank them very much.

On family, I thank my wife of 25 years, Therese, and my kids, Jessica, Nicholas and Marcus. The Prime Minister has said this and Kim has said this: family is everything. It is true. Nothing more needs to be said. That is where it begins; that is where it ends.

In conclusion, we all have a really big year ahead of us. We are all human beings in this place. We are full of human foibles and failings. We get things right; we get things wrong. But there is a decency about Australian political life which I think we always need to remind ourselves of. We listened in the Great Hall yesterday to remarks by the Korean President on the nature of the Australian democracy—that we have these things called smooth political transitions, as we hope to have at the end of next year. But the point he was making was actually much more profound than that. It was actually about the nature of our Australian democracy—the fact that, despite the real political and ideas divide which exists within Australian politics and the robustness with which it is fought, there is a humanity about this place in the fact that we have friendships across

this chamber which will endure well beyond our time in this chamber. So, Mr Speaker, with those concluding remarks, I wish you, all members of parliament and those who are listening to this broadcast all the best for the Christmas season. May we return refreshed and ready for what lies ahead for us in 2007.

Mr VAILE (Lyne—Deputy Prime Minister) (5.00 pm)—It is that time of the parliamentary year when we make these valedictory speeches and reflect on what has taken place both in this place and across the nation for which we work during the preceding year. Of course, this past year has been a year of triumphs and disasters. That is the Australian way, both in a natural sense and in a political sense.

In March this year Cyclone Larry caused more than \$1 billion worth of damage in North Queensland, and our whole country reached out and poured out its heart to the people who were affected up there. The Prime Minister and I visited the area straight after the effect of the cyclone. Of course, one of the enduring features of Australia and Australianness is the ability of Australians to be able to reach out and help their mates and their fellow countrymen, as was the case then. Now, as the country is ravaged by arguably the worst drought that we have ever had in this nation, we are doing the same thing as a nation—holding out our hands to help the farming community to get through this difficult time that it is confronting.

This week, and it was recognised in comments in the House today, there are 37 fires blazing across the north-east and Gippsland regions of Victoria. These natural disasters are a common part of the landscape in Australia, and they are something that we need to deal with on a daily basis. Despite these disasters and the headlines of a troubled world, we have much to be thankful for, living in this country at a time when we approach

Christmas, where we celebrate the birth of Christ and recognise the sacrifices he made for us.

Interestingly, this year both the Prime Minister and the Leader of the Opposition mentioned families. This year about 265,000 children were born, and they will grow up in a country that is free and prosperous, which is one of the greatest democracies on the face of this planet. Both the Prime Minister and the Leader of the Opposition mentioned the importance of family and the great joys of having children. This year, Wendy and I discovered another one—and that is having grandchildren. One of those 265,000 children born this year was our first grandchild, Jackson James Rapley. He was born in August and his parents were recipients of support from the federal government, for which they were very grateful at the time, as I am sure the parents of the other 265,000 children that were born were. It is appropriate that at this time we recognise those things that we value in this country, along with family, Australianness and how we treat each other.

This place, being the great clearing house of ideas in this country, is a place where we do engage in very tough debating battle on the ideas of the time. Of course, that is the pivotal point of our democracy in this country. We get to this stage of the year and it is appropriate that we recognise the fact that, whether we agree with each other on individual issues or not, we should all acknowledge that each individual in this place is doing what he or she believes is in the best interests of the nation. And we do do that. We do believe in that. That is one of the things that we absolutely love about our political process, our parliamentary process, and we should recognise that.

Can I recognise the great contribution that the Prime Minister has made as the head of the government and the leader of the nation,

both nationally in the interests of over 20 million Australians and on the international stage as a well-recognised international political leader across the world. The contribution that the Prime Minister has made will be to the enduring benefit of future generations in this nation. Prime Minister, I wish you and Janette a very peaceful and restful break over the Christmas period and new year. I just hope for your sake that the fifth test in Sydney is not one that is for an academic result and that there is interest in that test. I am sure that, one way or another, you will enjoy that. I also extend all the best for the Christmas and festive season and the new year to the Deputy Leader of the Liberal Party—our coalition partners—the Treasurer and good friend, Peter Costello, and his wife, Tanya.

Because of the changes in recent months my deputy leader, Warren Truss, and his wife, Lynn, have had to freshen up their passports and start travelling the world. I know that the Leader of the Opposition is well aware of the impact of this on your personal life and physical wellbeing, and I am at this stage still not missing the fact that I took a decision a couple of months ago to change portfolios, return permanently to Australia and reacquaint myself with my Australian habits. But I wish Warren and Lynn all the best. I know that next year is going to be a very busy year for him with the portfolio and as the deputy leader of our party, playing a critical role in the leadership team of government as we move into what will be a very important election year for the nation.

I thank the whips that have looked after us in our party, particularly Kay Hull and her predecessor John Forrest. During the last year they have done a fantastic job in looking after the interests of the party. It is not easy being from time to time the junior coalition partner, where the interests of the nation must always come first—and that includes the interests of regional Australia. The whips

do a great job in working with our colleagues in managing the processes. While I am on whips, I mention the member for Macquarie, the member for Gilmore and the member for Corangamite, our colleagues in the Liberal Party, whom we work so very closely with.

It would not be appropriate for me to let the moment pass without commenting on a couple of my colleagues who the next time that we have an opportunity of participating in this debate in this place may not be with us. I speak of the current member for Gwydir, John Anderson, and the member for Page, Ian Causley, the Deputy Speaker, who have both announced that they will not be contesting the next election. The member for Gwydir has been a very good friend and colleague of mine for all of the years that I have been in this place. He preceded me in entering the parliament by a number of years, and we shared an interest in portfolios in agriculture and in transport and regional services and, of course, ultimately in the leadership of our party in government.

For the six years that John Anderson was the Deputy Prime Minister and led our party, I was his deputy and thoroughly enjoyed working with him. I learned an enormous amount from John. A lot has been said following John's announcement of his retirement, but it goes without saying and needs to be put on the record again that, above everything else, John Anderson is a thoroughly decent human being and a decent Australian who loves this country and particularly loves the regional parts of our nation that we lovingly refer to as the bush.

I know that John will be sadly missed in this place and in our party and that the contribution that he has made will be recorded in the political history of this country as being one of great significance both in policy for agriculture—the AAA package comes to mind, as does the National Water Initiative—

and, something that we have been having a bit of a debate about in the parliament this week, in the relationship between the Commonwealth and states in funding processes: the establishment of the AusLink program and beginning to remove those demarcation lines of responsibility in the hierarchy of the road structure and the rail structure in Australia. They were things that John Anderson achieved and put into place in a policy sense that he will be well and truly remembered for.

To John and Julia and to Ian and June, I wish you all the best. I know that we will be working with both of you, John and Ian, during next year, but in the circumstances I might not get another opportunity. We thank you for your contribution. Ian Causley had a very distinguished career in the state parliament in New South Wales as a very senior minister in the Greiner and Fahey governments. He served with distinction and came to this place with a great deal of experience in and knowledge of so many areas of public policy, which we have been able to draw upon very often. We appreciate the work that Ian has done. In latter years, he has been a very capable Deputy Speaker in this place, one who has occupied the chair for many hours, helping in the smooth running of this chamber and the rest of the parliament.

Beyond those senior colleagues, I wish my National Party colleagues, particularly Minister Peter McGauran and his wife, Trudy, Minister John Cobb, Parliamentary Secretary De-Anne Kelly and Senator Sandy Macdonald, and all of my other party colleagues in the House and in the Senate the very best for Christmas and the New Year. I also wish all of our colleagues both in the ministry and, more broadly, in the Liberal Party all the best for Christmas and trust they have a very restful break over the next month or so whilst we are away from this place so

as to be ready to return to the fray in February of next year.

At the same time, I should acknowledge our party organisation, including both Andrew Hall from our federal secretariat here in Canberra and those executive officers in the state divisions of our party, for the work that they have done with me, my office, my colleagues and the party. I extend my best wishes, particularly to Andrew Hall, our party federal director, who works so closely with us and with Brian Loughnane from the Liberal Party in managing the orderly operations of the two parties in delivering good coalition government.

Mr Speaker, I take this opportunity to wish you and your good wife, Penny, all the very best for Christmas. I know that it has been just as challenging a year for you as the key occupant of the chair as it has been for the rest of us in this place. This place does not work as effectively and as well as it does as the clearinghouse of political ideas in this country without firm guidance from the occupant of the chair. To that end, we thank you and wish you all the very best.

Ian Harris and his team, the clerks, do a fantastic job in their totally impartial advice to both sides of the chamber in matters of procedure, the orderly running of the chamber and the assistance they give to both the government and the opposition. I recognise the comment that the Leader of the Opposition made in that regard. We can still remember the years that we spent in opposition in the early nineties—or I can. We probably relied more heavily in those days on the advice from the clerks and we continue to remind ourselves that that is a fundamental reason why we fight so hard to stay on this side.

I also recognise the great work that Dalma Dixon and those in the office of the Serjeant-at-Arms do in helping all members of par-

liament. I understand that Dalma may be retiring soon. She has been in that office since I have been in this place. I have always relied very heavily on their advice and guidance and wish them very well. Thank you, Dalma, and those in the office of the Serjeant-at-Arms.

Hansard do a great job on behalf of the nation in recording all that goes on in this place. Often, in times of heated debate, it must be challenging for them, but we recognise the great job that they do.

I am aware that some of the staff in Parliament House who have served us so well are also going to retire. I want to single out Diane Hawke, who retired from the Parliamentary Library this year after 32 years of service. She worked at the front counter in the library in both the old and new parliament houses. We often lose sight of the level of dedication of many of the officers of the parliament who work for us. They are just as dedicated to our parliamentary system and our processes of democracy in this country as we are, and we should recognise the great contribution that they make. That is critically important.

It would be remiss of me not to mention staff in my Canberra office, led very ably by my chief of staff, Brad Williams, and all my other staff who manage the business of our party within government and in interacting with other senior ministers' officers and our party membership across Australia. They are dedicated to the cause, just as we are. I certainly thank them and wish them all the best for Christmas. During the upcoming weeks, my chief of staff is going to commit to the sacrament of marriage, and I wish Brad and Meredith all the very best for their wedding and for their life together. I am sure they will be extremely happy together, particularly with their shared passion for politics and good policy.

Before concluding, I wish the Leader of the Opposition, his wife, Therese, and their children all the best over the upcoming period. As he indicated, we have had a healthy professional relationship across the chamber in the trade portfolio over the last 12 months, when it has been quite intense. I know that on major occasions of significant policy for the nation we have shared some views. During the Hong Kong ministerial of the WTO last year, the Leader of the Opposition, then the shadow minister for foreign affairs and trade, was present as part of the Australian delegation, just as his predecessors in that portfolio have had responsibility for WTO meetings. He certainly participated very constructively as part of Team Australia on that occasion. We look forward to the announcement of the new Labor Party frontbench. We wish them all the best in their new roles and look forward to the work we are going to do in this place next year. It will be more of the same, as we debate the great issues of import to the nation.

To the newly elected Deputy Leader of the Opposition, the member for Lalor: I wish her all the very best. I will continue to wear my Australian-made suits and the ties that my wife and daughters select for me! I know that she will bring to whatever role she is appointed to by the Leader of the Opposition her usual level of commitment and diligence.

The member for Brand had a particularly difficult week, and that has been reflected upon. I do not know that any of us can really appreciate the shock of losing a brother in such circumstances—having just lost the leadership of the Labor Party. I know we all felt, as human beings, for the member for Brand. Our thoughts and prayers are with him this week as he and his family confront the very difficult circumstance of the loss of a loved one. He has always been a committed Australian.

When we were having a major debate on the eve of passing the legislation that put in place the Australia-United States Free Trade Agreement, the member for Brand made a significant speech from the back bench, before he returned to the front bench, in support of the importance of what we had done in cementing that commercial bilateral relationship with the United States. I thanked him on that occasion because it was above politics, at a time when the then Leader of the Opposition was not as constructive towards the policy position the government had taken. I wish the member for Brand and his wife, Susie, all the best for Christmas, as I do the member for Jagajaga. As she has served as the Deputy Leader of the Australian Labor Party for a number of years in this place, I know this will be a time for reflection. Leadership of political parties is one of the most difficult challenges of any aspect of one's political career, as I have been finding out over the last 18 months since taking on the mantle of leadership of the National Party. I certainly convey my congratulations to the member for Jagajaga and to the member for Brand for the work they have done leading their party over recent years.

In conclusion, I extend best wishes for Christmas to all members on both sides of the parliament, to all those engaged in serving us in the House of Representatives and in the Senate. I trust they will have a wonderful time with their families and loved ones as we celebrate the birth of Christ and this great event of Christmas when we focus so much on family. I thank very deeply my wife, Wendy, for her support during the last 12 months. Political spouses often end up wearing some of the ignominy that we bring upon ourselves as members of parliament, whether warranted or not. It is certainly not warranted by our families. I know sometimes it is tough for them, but we should acknowledge the great support we get. Certainly Wendy has

always been a great support to me and I thank her. To my daughters, Terri, Prue and Sarah, to my sons-in-law, Jason and Nigel, and to our new addition, our grandson Jackson James: I am certainly looking forward to having a wonderful Christmas with you.

Mr HOWARD (Bennelong—Prime Minister) (5.21 pm)—On indulgence, Mr Speaker: I apologise for not mentioning Dalma Dixon. This will be her last day in the parliament in her current position. She retires on 15 December, although rumour has it that she will not be entirely lost to the system and the service. She has been a wonderful occupant of her position and has always done her job efficiently and with unfailing politeness and grace. I thank her and wish her well.

Honourable members—Hear, hear!

Ms GILLARD (Lalor—Manager of Opposition Business) (5.21 pm)—Like all members of the House, I am looking forward to a Christmas spent with family, particularly with my father, John; my mother, Moira; my sister, Alison; and my niece and nephew, Jenna and Tom. My mother and father, in particular, managed to become television personalities this year, including in recent days on the media in Adelaide, but we are looking forward to a quieter Christmas than perhaps the year has been.

I acknowledge at the start the work of Kim Beazley over a long period of time as a Labor leader and a member of this parliament. I echo the sentiments of the Leader of the Opposition and, indeed, the Deputy Prime Minister, who has just spoken, and the Prime Minister. Obviously this has been a very difficult week for Mr Beazley and our thoughts are with him. Of course Kim was a Labor legend when I came to this parliament in 1998. He was already a man of huge reputation in the Labor Party and beyond, having served so successfully as a long-term minister in the Hawke and Keating governments

and having led Labor so ably in the 1996 to 1998 period. It was only when I came here in 1998 that I got to know Kim personally. It has been terrific to be able to work with him. He is a man of huge generosity of spirit. I am sure that we are all looking forward to seeing him back here next year, having got through these very difficult times and very difficult circumstances particularly for his family.

I also specifically acknowledge the work of Jenny Macklin, the member for Jagajaga, in her capacity as Deputy Leader of the Opposition. Jenny and I have known each other for a long period of time. I have been trying to reflect on how long, but every time I do so it makes me reflect on how much we have both aged, so I have stopped trying to do that! It has to be at least 20 years and possibly a little longer than that.

Mr Stephen Smith—And rising.

Ms GILLARD—I thank the member for Perth for that very helpful contribution. I got to know Jenny when I was not very long out of student politics and she was working in an institution called the Labor Resource Centre, which was very important to the revival of Labor's political agenda in Victoria. They were not easy circumstances in a pretty unrenovated terrace house in Carlton. It is the sort of thing you would only do for the love of it. Jenny went on to work for the Hawke and Keating governments, most particularly for Brian Howe in some very big health policy areas, and then came to this parliament as the member for Jagajaga following the retirement of Peter Staples. Her record here speaks for itself. It has included many a portfolio, particularly health, and I do not think anyone is ever going to forget the MRI scan scam.

Ms Macklin—Especially not Michael Wooldridge.

Ms GILLARD—Yes, particularly not Dr Wooldridge, who probably still has nightmares when he hears—

Mr Costello interjecting—

Ms GILLARD—I do not know if he is operating an MRI these days, but he probably still shudders when he hears people refer to MRIs. Of course Jenny has served in other capacities—in aged care and most recently in education—and for a period of time now she has served as Deputy Leader of the Opposition to Simon Crean, Mark Latham and Kim Beazley. In that time, she has been a real foundation stone for our caucus. As a matter of personality, Jenny is a very warm and friendly person. She has been relied on by caucus members because of that, and they have sought her advice, counsel and support. She has been a very important part of generating Labor's policies, and I know specifically that that is going to continue. I offer my best wishes to Kim and Jenny as we move into the Christmas season.

I also take this opportunity to mention some members of Kim Beazley's staff who, particularly as I have been Manager of Opposition Business, have played a considerable role in working with me. I would like to specifically acknowledge David Fredericks—'Freddo', as we all know him—Jim Chalmers, Michael Cooney and Jack Lake. I have worked closely with each of them, and I wish them the best in these times and for the forthcoming Christmas season. I hope to see all of them back around the Labor Party at some point in the future. You never know: people come and go in this business, but they have made a considerable contribution to Labor in the last period. I also acknowledge Jenny's chief of staff, David. We have relied on him for tactics and for other support, and he has made a great contribution as well.

I wish all of my colleagues the best in this Christmas season. I particularly acknowledge

'Rogie', as he is known to me. I do like to get that on the *Hansard* record at this time of year. I have popularised it with the Independents; there are some knowing nods down there from the member for New England and the member for Calare. Rogie and I work closely together, day in, day out, during sitting days. A great whip requires some tact and, I would have to say, from time to time some occasional flashes of temper, and Roger manages to display both at precisely the right time. We do need a bit of discipline in temper from time to time, and Rogie manages to display it. Michael Danby and Jill Hall, as Deputy Opposition Whips, work closely with Roger. Jill gets to do division counts with Stewie. That would strain the tolerance of a lesser person, but of course it never strains Jill's tolerance. I thank them very much for their support.

I thank the people who have worked with me on the tactics committee in my job as Manager of Opposition Business. This caused great hilarity last year but I will try it again: my thanks go to 'Albo', to Anthony Albanese, who has worked closely with me as Deputy Manager of Opposition Business. I thank the member for Perth, who is in the chamber, and the member for Lilley, who has also worked hard on the tactics committee. I also thank the Leader of the Opposition, Kevin Rudd, who has put in some hard yards on the tactics committee. We are all there striving to do the best we can. Each day we get plenty of critical reviews from Labor colleagues, but I think that is all part of the process and we do try hard. Of course Jenny has served on the tactics committee too. I thank everybody who has served on the tactics committee.

Mr Speaker, my change of role from Manager of Opposition Business should not be seen as a change of demeanour. I am sure we will continue to hear warnings and general threats uttered by you in the direction of the

member for Lalor. I hope you do not find that too much of a strain. I certainly do wish you and your family the best over the Christmas season. Doing what you have to do all day, every day, for a job, I think you most certainly deserve your holidays and I wish you the very best as you proceed to take those holidays.

Last year I referred to Ian and Bernie as the only two blokes in the place who have any idea what is going on. Twelve months later I still absolutely believe that. If they did not know what was going on, there would be no hope for the rest of us. I thank you very much for your counsel, advice and support. If you could convey my thanks to the staff in the Clerk's office as well, I would be very grateful.

To the Leader of the House, Tony Abbott: I feel that we might be at the stage of a break-up of a great political partnership. I am not concerned about that somehow. We have in health performed what has been referred to as the Punch and Judy show. I always feel a bit regretful that I got the role of Judy rather than the role of Punch—but these things happen. Between one thing and another—he as Leader of the House and I as Manager of Opposition Business, as well as the health portfolio—we have spent a fair bit of time together. I would say of the Leader of the House that he is always far easier to deal with outside this chamber than he is to deal with within it. I am sure that we will continue to see each other outside the chamber, irrespective of changes of roles. And I am sure that we will continue to hurl abuse at each other inside this chamber, irrespective of changes of roles as well. But we do have to work cooperatively together in terms of the logistics of the House, and we have managed to do that without too much consternation during the year. So I convey my thanks to the Leader of the House and to his staff

and, most notably, to Paris, who is very important to us in terms of liaison.

I thank Judy Middlebrook and her staff. We are very reliant on chamber research on this side of the table. They do us proud every time we ask them for information very quickly. I convey my thanks to Rod Carn and the staff in the Serjeant-at-Arms Office for all the work that they do. My thanks to Tony Levy, who does the parliamentary liaison officer job. It really ought to qualify you for an ambassadorial appointment as soon as you have done it for a few years. It is a very delicate job liaising between the government and the opposition, but Tony, of course, does it well. To Dalma, with her imminent retirement: thank you very much for everything you have done. I am sure you are going to enjoy some different experiences outside of here and will get to wear some different clothes for a change from what we always see you in. Our thoughts are with you as you move into the next stage of your life. You never know where we might see you around the building in some sort of continuing capacity.

We are very reliant on the staff of the Parliamentary Library. We put upon them unreasonable deadlines for huge amounts of information, and they very often come up with the goods. They do not often disappoint. They are under special strain, given the limitations of their resources, but they do manage to work magic for the opposition, and I thank them very much.

To the people throughout the building who make a difference to us: I want to thank Reps IT. I do not know if it is just me who is always ringing Reps IT—

Mr Barresi interjecting—

Ms GILLARD—No, I can see that I am not the only one. The member for Deakin, Mr Barresi, must have the same track record with technology that I have. Reps IT make a

real difference, and they are very courteous and efficient. To the cleaners throughout this building—you sometimes see them if you are here late or here early—thank you for doing a terrific job. To the Comcar drivers: thank you. We are all very reliant on them not only for taking us around but also for their good cheer. Sometimes your best conversation of the day is the one you have with your Comcar driver. To the security staff who are perpetually required to let me back into my office: thank you very much for your patience. To the catering staff and to the Protective Services officers: thank you for everything that you do.

I also want to convey my thanks to Aussie's. I did have a New Year's resolution about giving up coffee. Like all good New Year's resolutions, it persisted for a period but it has not persisted for the whole year. I am a big consumer of Aussie's coffee. Looking around the chamber, I do not think I am alone in that. I think we are all pretty big consumers of coffee. Aussie's makes a real difference.

Beyond my colleagues, I would also like to convey my thanks to Tim Gartrell and his team at the national secretariat. We work closely with them. They do a tremendous job. Can I also convey my thanks to Greg Combet and Sharan Burrow for their support. They come in for some mentions in dispatches in this parliament where their names are not always used kindly. They are very important to us on this side of the House. They are very passionate believers for working people and for industrial rights. Whilst the government might not agree with that passion, I think that passion is to be respected. I convey my thanks to Greg and Sharan.

This has been a year in which my office has made a special study of the Danish royal family. You might be wondering why. That is

because we have had a parliamentary intern, Mette Hansen, working with us. Mette is Danish and has been completing a parliamentary research project in our office. I thank Mette for everything she has done, completely unpaid. I would have to say that in the recent period she has learnt some amazing things about Australian political life. Whether they will be the sorts of stories we want told overseas, I am not sure; but I thank Mette for all the work that she has done.

I also convey my thanks to my portfolio staff—to Kimberley Gardiner, my media adviser, who in the way of these things works ridiculous hours. My thanks also go to Silvana Anthony, who has terrified the tactics committee into submission but has done a tremendous job each and every day. To Lesley Russell, who has been with me for a considerable period—I have always said that if I had to choose between Lesley and the whole health department, I would pick Lesley—my thanks go to her for all her hard work. My thanks to Rondah Rietveld, who travels extensively with me and who works on some very important parts of the portfolio and important parts of the work that I do travelling around the country. I would also like to thank my electorate office staff who do such a great job for me in the electorate of Lalor and who are well respected by the people there. My thanks to the Fitzgerald sisters—Michelle and Vicki—both of whom work in my office and who are referred to by me as 'bad Fitzy' and 'good Fitzy'. I will let people work out which one is which. My thanks also go to Carlos Baldovino, who has been with me since the start, to John Ballestrino, and to our newest addition, Rachael Purcell. They all do a tremendous job.

I conclude by thanking the attendants in this place. We have, I think, a great relationship with them. To Bruce, Brian and Lupco: thank you very much for everything you do.

I do not know how you manage to keep even the most vaguely interested look on your face, hour after hour—but, remarkably, you do. I have never seen an attendant sleeping in a chair, and you would forgive them for sleeping through most of it. Thank you very much.

To Hansard, who always manage to make us look like we said something interesting, even when we said something completely ridiculous: my thanks go to them as well. The compliments of the season to all—even to the press gallery and the lone representative up there. We will see you all in the new year.

Mr COSTELLO (Higgins—Treasurer) (5.37 pm)—I join the previous speakers in thanking all of those who do so much for us in this House, in this parliament and in this building. They have been mentioned individually by a number of speakers previously, and I want to add my thanks to theirs. In particular at this end-of-year time I want to thank the parliamentary leadership team of the Liberal Party. I thank the Prime Minister, who has given outstanding leadership, not only to the Liberal Party but to the country, over the last 10 years. I think history will judge this period of Australia's experience very well indeed. When it does, people will realise the leadership that the country has had. I thank Mark Vaile, who leads the National Party and has done a wonderful job and is very good company, and Nick Minchin and Helen Coonan, our Senate leadership, who are both people of fine character whom I admire very much. I thank our whips, who are here: Kerry Bartlett—you have been a great whip and a great person—Joanna Gash and Stewart McArthur. Let me thank all of my colleagues in the Liberal and National parties. If it were not for them, we would not be here. People who serve the public ought to have the thanks of their lead-

ers, and as their deputy leader I want to thank them on this occasion.

In that vein, I would say to Kim Beazley, who no doubt will be feeling very flat at this time, that he has made a major contribution to Australian politics, as a minister and as a Leader of the Opposition. I think only when he looks back on the fullness of his career will he realise what he has done. He comes from a fine family and I send my regards to him. Jenny Macklin, who is here, was the Deputy Leader of the Labor Party for a very long period of time, a post which she discharged with great vigour. This is a very brutal place. Slings and arrows are taken in the course of one's parliamentary career, and you can take them from the front and you can take them from the back—from the other side or your own side. But you deserve tribute for the way in which you have discharged your office.

Ian and Bernard, thank you for all that you do. You are public servants in the finest tradition. You show no fear, no favour, no bias. I do not know how you get to vote at election time. In fact, you probably vote informal, just to make sure that you show no bias towards either side of this chamber! It has never occurred to me that the advice you give would be other than scrupulously honest, and I thank you for that. A great credit to you too, Mr Speaker, for all of the work that you have done through the year, for which I thank you. I hope on occasion I have even entertained you in the chamber with some of my dance routines!

I thank the Treasury, led by Ken Henry. It is one of the great departments of state and one of the original departments of state, admired internationally, I think. It came home to me when we put on the G20 summit in Melbourne just how admired the Treasury is. Martin Parkinson and his team put together the best G20 summit there has been, by gen-

eral acclaim. All of the staff that work for the Treasury are fine people whom I want to thank very deeply.

I thank my own personal staff. Phil Gaetjens is my chief of staff, who has an amazing reach over policy and government. Gabe, who manages me and is absolutely indispensable, I thank you. My notes say I should thank the Gaz man, David Gazard, who is an invaluable member of my team. That is because he wrote these notes—he deserves it too! And I thank my other advisers: David Alexander, Renae Stoikos, Kelly O’Dwyer, Jonathan Epstein, Allan Anderson, Matthew Quillinan and David Crawford. I thank my electorate staff, Ali, Lou and Melissa, who do a wonderful job for me; the office manager, Philippa Campbell; my electorate chairman, Ross Liebman; and Georgie Crozier, who ran a great ship. I want to thank them for all that they do. I thank our party director, Brian Loughnane, who is immensely professional, and Julian Sheezel, our director in Victoria, who has done so much through the year.

Christmas is the celebration of the birth of Christ, which I believe to be probably the great turning point of history. I think this event changed history for the better. I think Christ and his teachings have changed the world in a way no other person has. Not only do we commemorate the birth of Christ but we use that great event to remember our own families. Our community draws its strength from relationships—within families, between neighbours, through voluntary organisations—and countless people who build relationships in countless ways. Volunteers serve the community and make it stronger; they make the community and the society. The relationships of families, neighbourhoods, streets, suburbs, towns, cities, regions and the nation give strength to our society.

That leads me to remember the value of my own family and all that they mean to me—my wife, Tanya, and my children, Seb, Madeleine and Phoebe. You come into this place and you spend a lot of time here and you do not realise how much strain it places on the family. You are away doing things that interest you, and they are at home without the support of one of the parents. Those of us who are in public life do not really realise the strain it puts on those who are close to us. In all of their dealings and relationships, they are subject to your reputation and to your exposure. If I can share my experience with all of my colleagues, I say to myself that whatever we, on both sides of the House, can do to value our own families, to protect them and to thank them, it is well worth doing it.

I see that my opposite number is here—I don’t know whether he’s still my opposite number but, if he is, I will look forward to coming back and crossing swords with him next year! If he is not, let me thank him for the fun that we have had crossing swords over the years. My best wishes to all in this place, and my thanks for all the kindnesses that they have shown to us.

Ms MACKLIN (Jagajaga) (5.45 pm)—I think it is a very important time for us all to reflect on the great things about Australia. At this time, I feel particularly for those people who are going to volunteer in so many different capacities over the summer period. Most importantly right now, they are the fire-fighters. I want to say to them that we know that this will be a very tough summer for them. For many of them, it may be the case that they will not get the opportunity to spend it with their families. I want to send a particular message to them. They are fighting fires in a part of Victoria where I grew up. I know it very well. It is a very beautiful part of Australia that is being ravaged by fire yet again. You would all know that I am also a bit of a maniac when it comes to bodysurf-

ing, so the other volunteers who always come to my mind at this time of the year are those who make sure we do not get into too much trouble in the surf. I think these two groups of people often come to mind as encapsulating what it means to be Australian. These people are prepared to put their own lives at risk, often in very dangerous circumstances, in the sea or in a fire, and I do think it is wonderful that we have so many people who are prepared to do so much for other people.

It has been a tough week; there is no question about that. The Treasurer summarised it pretty well. Unfortunately, that is the nature of politics, but one of the things I think we can be very proud of in Australia is that, even though it is tough, we do it in a way that leaves all of us able to continue as decent human beings. First of all, let me particularly congratulate Kevin and Julia. I know that they have taken on the leadership of the Labor Party in a most energetic way. They intend to take the fight right up to the government over the next 12 months, and we in the Labor Party will be there with them to make sure we are on the other side of the chamber come next Christmas.

To all of my caucus colleagues: I know it has been a very bruising time. Let me say thank you to them for the support that they have shown me personally. Let me say also that I will continue to be there for them. The most difficult thing that has happened this week has been with Kim Beazley and also his staff. I will say a few things about Kim's staff first. I think many people never see the enormous amount of work that is done, particularly in the leader's office, and I am sure it is the same in the Prime Minister's office. Kim Beazley had the most extraordinary group of people working for him. I want to place on the public record my personal thanks for their enormous dedication to this great party of ours and to the broader labour

movement. Over the last few years, Kim's office has been second to none. There are so many of them I cannot name them all, but I do particularly want to pay tribute to David Fredericks. He is really a most outstanding human being.

Their efforts and their extraordinary decency were certainly every day evident to me. I will certainly convey tomorrow everybody's fond wishes and thoughts to Kim Beazley and his family. Probably, as much as thinking about Kim at this time, we think about his parents. David lived with Kim's mum and dad, so this must be an extraordinarily difficult time for them. I just know that they will get some strength from the great kindness that everybody is showing to them through these comments that have been made tonight.

The thing about Kim Beazley that I want to remark upon is that, in the time that I have been here, which is the last 10 years, we have turned to Kim Beazley in our most dark hours for the Labor Party. In 1996, of course, we were badly defeated, and we turned to Kim Beazley. He demonstrated his extraordinary capacity to campaign against the government. At the next election we won 20 seats, and we won the popular vote. That result was a demonstration of Kim's leadership capacity.

I suppose the time that I remember as much as any other is that period after September 11 in 2001. It was a terrifying time for the world because none of us knew what else might happen. We went into an election with bombs dropping on Afghanistan and at a time when the Australian people were frightened. Kim Beazley brought the Labor Party back from the brink. We were facing a very significant defeat, in large part because of the community's desire to stick with people whom they knew. They obviously felt that very deeply. At this important time for

Kim, we have to remember what he did for us, and that was to bring us very close to victory in that most extraordinarily frightening time. We recognise his great leadership in achieving everything he did in that period. He achieved that because the Australian people saw him—and continue to see him—as one of the most decent politicians that this country has ever had. At those frightening times, they want to know that there is somebody at the top who they are going to be able to trust when things go really bad, as they certainly had in the United States in 2001.

We turned to Kim again after 2004 when Mark Latham had to retire due to illness. Once again, we turned to Kim to lead us after a very difficult period and to bring us together. He has managed to bring our party together, which needed to be done. We are all—and this goes for everybody in the party, those who voted for him and those who voted against him in the leadership ballot earlier this week—terribly sad at his departure because of the enormous contribution to Australia, to the Labor Party and to so many of us individually.

I join with both Kevin and Julia to wish the Prime Minister and all members of the government all the best for Christmas. I will not go through all of the parliamentary staff, because there are so many of you. I do not need to repeat it—you know how much we rely on you and how much we appreciate what you do. There is one group that has not been mentioned so far, which might indicate a lack of attention by the leader and the deputy leader. Some of you would know that I spend a lot of time in the swimming pool early in the morning. The people in the gym help us keep some measure of fitness in this ridiculous job that we have.

Mr Speaker, we know that we give you a tough time. Unfortunately, I have to say that that will continue. Be that as it may, we re-

spect both you personally and your office, and that is the most important thing—and we will continue to do so. I am sure that you will be able to have a break over Christmas and I hope that you will come back refreshed like the rest of us.

I want to make a quick mention of another group that has not had any attention yet. All of the portfolios that I have held have required me to work very closely with state ministers. It is the case at the moment that they are all Labor. Particularly the state ministers for education and training—and I could single out a number of others—have been extraordinarily helpful. When you are in opposition that can be very useful. In the schools sector, there are so many different organisations that I could not possibly seek to mention them all, but I want to highlight the great role that teachers play in our community. They get pilloried by so many different people. I know that all of us who are parents rely on teachers to help us develop our children. They are up there with some of the best people in Australia. They are not just hardworking men and women; they are dedicated to the future of the next generation.

I have done some pretty significant policy work this year. I want to single out the vice-chancellors of our universities, who have been enormously helpful to me personally in the development of that work. We have not had that sort of thought go into higher education reform for the last 20 years, and I know that we would not have been able to put this policy work together without the enormous input of those vice-chancellors.

I want to thank all the members of the education unions. Julia just mentioned the attention that both Greg Combet and Sharan Burrow get occasionally. Both Greg and Sharan are very close friends of mine. I thank them for their very personal support for me. I also want to acknowledge the support of the

education unions. They do not get quite as much attention as they used to when David Kemp was here; nevertheless, I say proudly that they make a great input into our party and will continue to do so. I particularly highlight the role that Julius Rowe plays. He is the President of the AMWU and he knows more about the training needs of Australia and the importance of apprenticeships than anybody. He has been a great source of advice for me over the last year. Tim Gartrell is a good personal friend of mine. He is a great strategist. We could not do it without you, Tim. I know that it is a very busy time for you right now. I have no doubt that he will lead an extraordinarily professional campaign as we come up to the election.

As I said before in talking about Kim Beazley's personal staff, our staff really do provide the most dedicated service to us. Given what is happening to me personally, everybody has been very nice to me. Of course, in these changeovers, if I can put it that way, our staff are also very deeply affected because of the dedication that they show. I want to say how much I appreciate everything that all of my staff have done. I will talk about my staff here in Canberra first of all. David, my chief of staff, Jim McMorror, Nick Talbot, Ryan Batchelor and Moksha Watts are an extraordinary group of people who are totally dedicated to the Labor Party but who have been an absolute rock of support for me, particularly this week.

Others have mentioned their electorate office staff. Not only have I been the Deputy Leader of the Labor Party for five years, with three leaders, which has taken some stamina, but I have a marginal seat. It requires fabulous staff in your electorate when you are carrying the load of the deputy leader. To Vicky, Irene, Jessica, James and Ann—all of you are able to do the job in the electorate that makes sure that all of the people of Jagajaga know that we are there for them. Of

course, we cannot do it without the support of large numbers of volunteers and branch members.

Finally, to my family, it is extraordinary when your children basically grow up during the time that you are in the parliament, and that is what has happened to me. I guess that is the thing that I feel the most about—you are not there to see them grow up. I have been quite good so far emotionally. I probably should not talk too much about them.

Mrs Irwin—I think you are entitled to talk about who you want to.

Ms MACKLIN—Thank you, Julia. I will say to Ross, who is my best friend, and to the kids that I love them. That will be enough about them. We are going to catch a few waves. I am going to catch a lot of waves and probably drink too much red wine.

Mr Stephen Smith—Not possible.

Ms MACKLIN—‘Not possible,’ says Stephen Smith. I certainly am looking forward to a break. It is going to be a time to reflect and to think about the service that I intend to give to this great party of ours and this great country of ours. I think on our side of the parliament we take very much to heart our responsibility for the fight that we think needs to be taken up to protect the dignity of working people. It is in our minds a very deep responsibility and we intend to pursue that with great vigour.

Finally, the thing I would say about Christmas time, just to return to my theme at the start, is that it is a time to think about those people who are doing it very tough. We had a barbecue today for St Vincent de Paul. I thank everybody who made generous donations. It is a time to think, to give and to do what we can for those in difficulty, but it is also a time to think about how we can live more peacefully together, whether it is within our own homes, in our local communities or,

more broadly, in the world. For me that is what Christmas is all about.

Mr ABBOTT (Warringah—Leader of the House) (6.04 pm)—I acknowledge the passionate and heartfelt contribution from the member for Jagajaga. I accept that she and others on the opposition benches have had a traumatic week. I do acknowledge how hard it must have been for them, particularly for the member for Brand and the member for Jagajaga, and I sympathise with them. This is a rugged, brutal business and people go through a lot of personal pain. It is a pity that it has to be that way but so far no-one has come up with a better alternative.

Could I say in response that we all take our duties very seriously here. I would not like there to be the slightest hint that one side is more concerned about the underprivileged than the other. We express our concerns differently and certainly we have different views about the sorts of policies which will best help those who are doing it tough, but I would not like, even at this time of goodwill, any suggestion to be made unchallenged that one side of the parliament is more concerned about those who are doing it tough than the other.

It is impossible to adequately thank all who have contributed to us in this place. Suffice to say that we are all the product of the hard work, the commitment and the love of so many other human beings. I would like to acknowledge that in my own case and apologise for the fact that very few of them ever get the thanks that they really deserve.

I wish simply in these few remarks to thank those who I ought to thank in my capacity as Leader of the House. May I begin by saying that I suppose one of the nice things about this time of the year is that all of us do for a few moments accept that members opposite are human beings with strengths as well as weaknesses, and I do

hope that that spirit survives well into the new year, although I rather doubt that it will.

Mr Speaker, you have an incredibly difficult job. Members on this side of the House want you to be our supporter. Members on the other side of the House are convinced that you are our supporter. In fact, your job is to be fair and impartial. I think you discharge that difficult responsibility pretty well and I thank you for your efforts.

I think that the real pillars of this parliament are the clerks, who love our traditions and honour them in ways that we do not always. I really appreciate their hard work, their insights and their commitment, and I state that this place would be infinitely the less but for their work. They are the guardians of our traditions and they discharge that role extremely well.

I thank the Parliamentary Liaison Office, led by Tony Levy, for helping the business of the parliament to be discharged so relatively smoothly this year. I particularly acknowledge Nathan Winn, who will be moving on at the end of the year. To the Table Office: thank you for your hard work. I thank my distinguished colleague Peter McGauran, who is a remarkably cheerful, genial and helpful presence in this place. I thank the government whips, starting with the member for Macquarie. Thanks for everything you do to keep the large egos of this place in check and constructively contributing; and I thank their staff, who have to do a lot of very hard work.

I pay tribute to the member for Lalor, who has been promoted. I think she has been justifiably promoted. She is a significant political talent. I have always got on with her extremely well in her capacity as Manager of Opposition Business. She, like others here, has the public image of a very steely politician. She is a tough politician but she is also a constructive and cooperative colleague

where that is necessary; and on those few occasions when we have interacted socially I have found her to be a genial companion.

We come to the end of a long and hard political year. May God bless us all, may God bless our country and may the holiday season refresh and renew our energies so that we can all be our best selves in 2007. Finally, none of us could be here but for the forbearance of our families. Families are the unseen, unacknowledged victims of political life. I thank my wife and my kids for putting up with an absent father and husband, and for the fact that the burdens of politics make me far less a family man than I should be.

Mr PRICE (Chifley) (6.10 pm)—I am going to make some brief remarks. I am going to omit so many people whom I should readily acknowledge, so I apologise for that. I particularly wanted to start with the contribution that Dalma Dixon has made to this place. Whips work with the Serjeant in many aspects, but I would never have been able to organise offices and seating arrangements without her unstinting advice and experience. She made something that is quite difficult a very easy exercise. She has a great personality and takes her job very seriously but does it with great flair. I sincerely thank her for her contribution to this parliament. I am still in shock about the fact that she is resigning.

I thank my two other whips, the member for Melbourne Ports and the member for Shortland, and the staff in my office. Without a doubt, it is really Anna George who is the Chief Opposition Whip. She makes all the critical decisions and smooths out all the rough edges. I thank Joy Brogan, Matthew Tredwell and, in my electorate, Barbara Williams and Steve Turbit. I also acknowledge my colleague and friend the Chief Government Whip. My two whips control the Main Committee, but we are required to work

closely with one another. Can I say that of the many agreements I have reached with the Chief Government Whip, he has never broken one; it has made for a better and smoother running of the parliament. The only thing that we have to trade is our word, and I must say that has been sufficient. I thank him for his cooperation. Unfortunately, I disagree with the Prime Minister. I think he drives a very hard bargain. My reputation is not quite what it would be, I feel, if he had a more generous spirit towards the opposition.

Lastly, Mr Speaker, I thank your own Chris Paterson, whom I have had a lot to do with. He recently suffered an illness. I acknowledge what a great job he does. He is always accessible, one can always talk to him, and he always does his best to smooth out problems that are within his province. I greatly appreciate it. Last but not least, Mr Speaker, I wish you and Penny all the very best. I wish all my colleagues on this side all the very best. I wish to thank them for their assistance and cooperation, but I do wish all the very best to all members of this House and to all the people who work in this House. Whilst we, the members of parliament, have the focus on us, it is the people behind the scenes who really do all the hard yards. I also mention that Nathan, in the Parliamentary Liaison Office, is temporarily leaving us. Thank you, Nathan, for your contribution.

Mr BARTLETT (Macquarie) (6.14 pm)—I have no desire to delay the House, but I would like to very briefly wish a very Merry Christmas to my colleagues on both sides of the House, to all of the parliamentary staff, and to my own office staff. The message of joy, peace and hope that comes from the birth of Jesus Christ is one that transcends the adversarial nature of politics and I believe is the message that brings meaning and direction to our lives. I hope that that message is particularly significant to everyone this Christmas. I hope that every-

one will have a safe, relaxing and refreshing holiday period in preparation for what will be a very challenging 2007. My very best wishes to all.

Mr WINDSOR (New England) (6.15 pm)—On behalf of the crossbenches—my colleagues the member for Calare and the member for Kennedy—I would like to wish everybody a very happy Christmas and urge everyone to remember what the Christmas period actually recognises. I would like to say a few words for the benefit of those listening. I have sat here since the Prime Minister started the debate this afternoon and I think people get a different view of politicians if they listen to a debate like this. A lot of speakers before me reflected on the contribution made by their families, others within the community and within the building, their own personal staff, their electoral staff et cetera. It gives a little snapshot of the humanity that is in this place. People in here are decent people; they are here for a reason. I think the Westminster system does have some problems structurally in that it is built on conflict, in a sense, and your job, Mr Speaker, is to referee the two sides of the conflict. Most people are here with genuine views on the way they see the country going forward.

I have a saying that I use from time to time, particularly with young people in schools, and that is: the world is run by those who turn up. What we see in the parliament are people who have taken the time to turn up, get involved and try to make our world a better world. Too often we reflect on the negatives, but we are very lucky in this country to have a democratic system where people can, from all walks of life, turn up and be involved in the political process and influence the outcomes and at least have a say. In many other parts of the world we do not have a structure that can do that.

On a personal level I would like to thank the Chief Opposition Whip, Roger Price, and particularly Anna in his office. We have dealings daily and those dealings have been very cordial. Anna has been very good to us, so I ask you to pass on my regards and those of my chief of staff, Graham, as well. I am sure I speak for Mr Andren and Mr Katter at the same time.

The Clerks, Ian and Bernard, and the staff have been complimented here today and I think they recognise how important they are to the operation of this building. On a personal basis I do thank you for the help you have given through the year. I extend my thanks to all the people who work within the building. You do a tremendous job. I have been in two parliaments now. I was in the state parliament for 10 years, and one of the lasting memories that I do have—the member for Cook was in the same building and I am sure he shares similar feelings—is that the people who work within these buildings are very special people. They have a professional commitment to the operation of the democratic process, and I do thank them.

I would particularly like to thank the Parliamentary Library for the work they do. They are invaluable to me as an Independent member of parliament. I look back on my days in the state parliament and I look at the resource that is here, and the library is probably the most valuable resource that a member of parliament can have. The people in that library are absolutely excellent.

To my own staff and to my family I say thank you. I am sure that Mr Andren and Mr Katter would reinforce that to their loved ones and staff as well. As I speak, my wife is at a school function—as the spouses of many members of parliament would be, representing not only them but also the structure of the parliamentary process. I thank all the people who assist us and wish you all, par-

ticularly you, Mr Speaker, a restful Christmas season. May we come back with a little change in our hearts, particularly reflecting the addresses in the last hour and a half of this debate. May it reflect in the political debate next year and going into the next election.

The SPEAKER (6.20 pm)—I am mindful of the fact that it is getting late. I was going to make a full speech but I will take the opportunity to incorporate the full text into the *Hansard*. However, I would like to say a few things. First of all, it is a very great honour to be able to serve the House as the Speaker and to be able to work with so many wonderful people. People on both sides have so much to contribute not only to this place but also to our nation. It is something that we should never sell ourselves short on. Everyone in this building—and we know some 3,000 people work in this building—makes a very special contribution. That is why our parliament is highly respected, not only within the nation but indeed internationally. We should remind ourselves of that even though on so many occasions we do tend, as has been said, to have some robust debates.

I would like to make a couple of special thankyou. First of all, to my deputy speakers the member for Page, Ian Causley, and the member for Scullin, Harry Jenkins, who do a wonderful job as deputy speakers, as indeed do the members of the Speaker's panel, and who contribute far more than just presiding over the sittings when they are in the chair.

I would also like to pay a very special tribute, like others have, to the Clerk of the House, Ian Harris, and his deputy, Bernard Wright, and to the clerk assistants for all the support they give to those who occupy the chair. I also thank the Serjeant-at-Arms and staff of the serjeant's office, who do a wonderful job. I would also like to add my re-

marks to those of others to say a very big thankyou to Dalma Dixon as she retires in a week's time and to say what a wonderful job she has done and how much we have appreciated the warmth of her support. She has always been willing to assist all members in their work.

I would like to thank all those who work in this building, and it is difficult as I do not want to single too many out. But there is one I would like to single out and that is Luch, who has been wonderful as an attendant. All the attendants look after us very well, but Luch has been very special in the way he has assisted me as the Speaker and I would like to acknowledge that.

There are many others I would like to thank but I am going to keep it mercifully brief, colleagues. I would like to thank my own staff, particularly Chris Paterson, my chief of staff. All of my staff in my office do a magnificent job. Nothing is too much; they work very hard. I really appreciate it, as indeed I appreciate the support I get in my electorate office. Again, I am extremely fortunate with the people who are so willing to support my efforts as the member for Wannon.

Finally I would like to say, as others have, a very special thankyou to my family, particularly to my wife, Penny, who has been a marvellous support in my role more recently as Speaker but, of course, right throughout our life together. As we are approaching Christmas I would like to wish everyone and their families a very merry Christmas. We all know how important Christmas is to the family, but we also recognise the importance of Christmas. I know everyone is looking forward to a well-deserved break. I hope everyone makes the most of that and will be able to come back next year refreshed.

The incorporated speech read as follows—

On the passing of another year, it is an honour to serve this House as Speaker and a pleasure to work with so many wonderful people.

Everyone in this House and the building makes this, our parliament, the highly respected and internationally recognised institution that it is.

This year we have seen the parliament again at its best, thanks to 150 passionate members in the House of Representatives.

However, before I reflect on our achievements and successes I would like to start by thanking all the speakers for their contributions this evening.

In my role of Speaker, I am not in the game of keeping count, but I would like to share some facts and achievements from our year.

As a parliament we have passed in the order of 160 bills and we have had 68 question times with 1294 questions being asked.

We have seen the installation of a screen outside the chamber walkway to assist members to be aware of what is happening in the chamber before entering from the common areas of the building.

Live minutes of the chamber proceedings are now available to the broader community through the WebPages and we have also started podcasting of question time.

The Main Committee has continued to play an important role and a screen has also been installed outside to keep members informed about proceedings.

We have also seen the excellent role played by committees this year with almost 100 reports being tabled. The time allocated for committee and delegation reports on Monday afternoons is regularly being taken up and I would at this point like to recognise the hard work of our committees and the work that all members put into their responsibilities and what can be achieved through working in a cooperative spirit.

All of these achievements and work would not be possible without the support of the people in this place.

I could not undertake all duties of the House without the assistance of my esteemed colleagues who also occupy the chair, in particular the two deputy speakers, the member for Page, Ian Causley and the member for Scullin, Harry Jen-

kins as well as all the members of the Speaker's panel who do a lot more than just preside over sittings.

I would like to also pay tribute to the guidance that the Clerk, Ian Harris and Deputy Clerk, Bernard Wright; and the clerk assistants provide and for the support to all occupants of the chair and our offices.

The depth of their knowledge and experience and the strength of their commitment to this institution is very much appreciated.

I would also like to recognise the Serjeant-at-Arms and staff of the Serjeant's office who all assist in the order, security and operations of this chamber - a role in which we all appreciate.

At this point I would also like to recognise Dalma Dixon, one of our assistant serjeants, who is leaving the department after 20 years.

I am sure you would all join with me to thank her and wish her all the best.

As we know there are around three thousand people that work in this parliament, and without naming everyone, I would like to quickly list the many areas that we owe a huge thanks.

We have the table office, the clerk's office, committees, chamber research, liaison and projects, messenger services, finance, people strategies, printing and publishing, information systems.

The parliamentary education office has supported the visits and assisted in the education of 82,000 students this year here in parliament house, not to mention the number of students in our electorates. Also our parliamentary relations team who have assisted in 9 official and 33 unofficial delegations from other parliaments this year.

I would also like to thank Hilary Penfold and her staff within the Department of Parliamentary Services. This department serves all of us in a highly professional and timely manner. We may not see many of the staff who work in the extremities of this amazing building, but they all play a vital role in the operations. I also wish to thank them. They include the gardeners, building management services, security and facilities, client support, broadcasting and Hansard, information technology and communications services, corporate services, the parliamentary shop, the health and rec-

reation centre, the nurses centre, art services and visitor services who assisted over 800,000 people visiting parliament house this year. The guides are all fantastic ambassadors for the house.

Knowledge and information the key to the success of our work, and the Parliamentary Library is a vital resource for all members to be able to make vital contributions in the House and in the wider community. I know you would all join with me and thank the library staff and all of the staff I have mentioned so far.

However, as Canberra is home away from home and a place we spend a lot of time, the vital services provided here assist in making it easier for us to get on with the job.

I would like to thank Hyatt catering for their assistance with the Speaker's office.

To Comcar - who do such a great job around Australia as well as Canberra, Aussie's, the Post Office, Tracey's florist, Westpac, Limro cleaning and Carlson Wagonlit travel who have looked after us so well and have ensured that we come and go not only to Canberra but all around Australia. I wish all the staff the very best wishes.

I would also like to thank the press gallery for their professional coverage of parliament. I am keen on ensuring that the press have the opportunities and ability to cover the workings of the parliament and that there is a harmonious working relationship between the members, the House and the press.

My colleagues, I want to thank you. This parliament can only be a parliament with the passionate and committed members. Each and every one of you here make a valuable and respected contribution and I believe that a professional and productive parliament that represents all of Australia, is at the very heart of our democratic system. Even if being in the chair has its moments.

Tonight, I would like to especially thank the Prime Minister, the Deputy Prime Minister, the Leader of the Opposition, the Deputy Leader of the Opposition, the Leader of the House, the Manager of Opposition Business and the whips on both sides. To all of you - your leadership and professionalism assists in helping this place function successfully.

The enthusiasm and passion we see here in the chamber every day not only brings colour and movement to debate but allows all members to contribute and try to make our nation a better place.

It will be a busy year next year, but being the professionals that we are I am confident that it will be a fruitful year for us all.

I would like to thank all members and staff of the parliament for the good grace and courtesousness you have all extended to my office.

Thank you to my staff in the Speaker's office and the electorate.

I would also like to say thank you to the people of my electorate of Wannon.

Finally, a very heartfelt thanks to my family and especially my wife, Penny.

As we are approaching Christmas, I wish you all and your families a very merry Christmas. We all know the importance of family and I am sure you are all looking forward to a well deserved break.

Without rushing the Christmas break already, I remind honourable members that the House at its rising will be adjourning until Tuesday, 6 February 2007 at 2pm, unless the speaker or, in the event of the Speaker being unavailable, the Deputy Speaker fixes an alternative day or hour of meeting.

Question agreed to.

LEAVE OF ABSENCE

Mr FARMER (Macarthur—Parliamentary Secretary to the Minister for Education, Science and Training) (6.24 pm)—I move:

That leave of absence be given to every member of the House of Representatives from the determination of this sitting of the House to the date of its next sitting.

Question agreed to.

COMMITTEES**Foreign Affairs, Defence and Trade
Committee****Report**

Mr BAIRD (Cook) (6.24 pm)—On behalf of the Joint Standing Committee on Foreign Affairs, Defence and Trade I present the committee's report entitled *Review of Australia-New Zealand trade and investment relations*, together with evidence received by the committee.

Ordered that the report be made a parliamentary paper.

Mr BAIRD—by leave—On behalf of the Trade Subcommittee of the Joint Standing Committee on Foreign Affairs, Defence and Trade I wish to make some brief comments on the committee's report, *Australia's trade and investment relations with New Zealand*. However, given the shortness of time allocated for the rest of the session I would also refer members to be printed report, which is being released today.

Australia has historically enjoyed an important and productive economic relationship with New Zealand. New Zealand is Australia's fifth largest export market and eighth largest source of imports, and the 1983 Australia-New Zealand Closer Economic Relations Trade Agreement, the CER, is Australia's oldest free trade agreement. The committee's report looks at the relationship and its strength. There are far more achievements than problems still to confront. That shows the strength of our relationship, which has endured through two world wars. The very strong investment record, trade and tourism between the two countries highlight the significance of the CER. This report examines that.

I commend Robert Little, the secretary of the committee, who did an excellent job in preparing the brief, and my deputy, Mr Warren Snowdon, the member for Lingiari, and

the other members of the committee. This committee is noted for the conviviality with which proceedings are conducted and for the bipartisan way in which its members look for opportunities for Australia's international trade. I commend the report to the House.

Mr SNOWDON (Lingiari) (6.27 pm)—I concur with the member for Cook and say how much pleasure it has given me to be able to participate on this committee. The way in which the committee runs itself is a tribute to the way in which the parliament ought to run in terms of a cross-party effort to advance Australia's trading interests. This report is evidence of the way in which the committee has been able to work together. We all know Australia has a rock-solid relationship with its Tasman neighbour. Some of us have familial relationships, very close familial relationships in my case. Nowhere is this more apparent than in the shared appreciation for sport and the great rivalry between our two countries. Maybe I ought to mention the parliamentary rugby team, of which I am a member. I note Mr Farmer, sitting opposite, has put on his joggers occasionally and come out for a bit of a spurt.

Mr Farmer—Just occasionally!

Mr SNOWDON—Yes, just occasionally! You would be pleased to know, Mr Deputy Speaker McMullan, that we played the New Zealanders in Wellington earlier this year and they beat us and then we played them at Ballymore and beat them, so we are 'eqs'! And we will have further games next year. But this report is about trade, not sport, and the facts back up the quality of this trade relationship. My friend has spoken about the closeness of that relationship. The CER is the oldest of Australia's four FTAs and is generally described as a world-class trade agreement. In a 1998 trade policy review, the WTO described it as 'the world's most comprehensive, effective and multilaterally com-

patible free trade agreement'. In its submission the New Zealand-Australia Connections Research Centre stated simply:

CER represents *the* model for other free trade agreements.

This trade agreement helps to facilitate what is a very close and very extensive trading relationship between these two countries. In 2005 trans-Tasman merchandise trade topped \$14.4 billion while services trade was \$4.7 billion.

New Zealand is Australia's fifth largest export market. There are a whole lot of details within the report, but I will not pursue those for the same reason given by the member for Cook. However, we need to understand how important this trading relationship is to us. Frankly, it is underestimated by many people and taken for granted, and I think we need to acknowledge it a lot more. One of the issues which arose—now is probably not a bad time to talk about it—during our inquiry was what we thought was the real need for Australian parliamentarians to work a lot closer with New Zealand parliamentarians. One of the thoughts we had while writing this report was the need for Australian parliamentary committees to have a closer working relationship with their New Zealand counterparts and, to facilitate that, to treat New Zealand as a domestic airfare for the purpose of parliamentary travel so that official business could be done on the basis of committees flying to New Zealand as though they were flying to Perth. There is no reason why that should not happen, given the objective of a closer economic relationship. That is a recommendation within the body of the report.

The report itself looks at many aspects of the trading partnership, and I will not go into that any further. I do just want to say again that the report is the result of some quite dedicated work done by the committee. Rob

Little, who drafted the report for us, did an excellent job. I would like to voice my appreciation to all those who provided submissions and also to the New Zealand government ministers, officials and industry leaders who made the time available to share their knowledge with the delegation during its trip to Auckland and Wellington in July this year. I also acknowledge the support given to us by the Australian High Commission in New Zealand and the hospitality of John Douth, the high commissioner, whom many of us knew previously as Head of Mission to the UN. But has worked in this place, in the first instance, as chief of staff of Gareth Evans, as I recall, before obviously continuing his long and very professional career in the foreign service. I would like to thank him and the high commission staff in New Zealand for their support as well.

Mr BAIRD (Cook) (6.32 pm)—I move:

That the House take note of the report.

The DEPUTY SPEAKER (Mr McMullan)—The debate is adjourned. The resumption of the debate will be made an order of the day for the next day of sitting.

WHEAT MARKETING AMENDMENT BILL 2006

Second Reading

Debate resumed.

Mr ANDREN (Calare) (6.32 pm)—I take pleasure in resuming my comments on the Wheat Marketing Amendment Bill 2006 after the delay. Could I put on the record my condolences and thankyou to Kim Beazley and his family at this difficult time, before I continue my remarks.

As I was saying, the Prime Minister, when commenting on the move to shift the veto powers to the minister, said in a press conference during the week:

... you couldn't get a proper outcome while the veto lay with AWBI because AWBI is not only,

how shall we put it, a player, but also the holder of the veto ...

One can ask, as I said, by this sort of logic, why did AWB International ever hold the veto power? 'Why indeed,' I can hear the Treasurer saying. The Cole inquiry has been a very timely funeral for the single desk for many in this place but not for the majority of Australia's wheat growers. The NFF said this week we must remember that, while the Cole inquiry was scathing of the AWB, the innocent bystanders throughout this saga have been Australia's wheat growers. Not so innocent bystanders were the government and its officials—condemned not by Cole but by their ignorance, deliberate or otherwise, of what was going on.

Growers who have contacted me want to know the answers to several key questions. Firstly, what guarantees can be given that this transfer of veto power will not undermine the financial security of the national pool system and will not lower returns to growers, given that the application by CBH of Western Australia to export wheat to Asia was rejected on the grounds of undermining existing markets and jeopardising the national pool? Analysts predict that the CBH application will now be approved by the minister, diminishing the amount of grain available for AWB to export, costing AWB between \$15 million and \$30 million in lost earnings. AWB's marketing position and its grower shareholders will be greatly disadvantaged.

Secondly, what are the plans for marketing the current national pool to ensure certainty for growers? Who will market stocks from the remaining 2005-06 pool? How is the government going to protect the equity of the 2005-06 and the 2006-07 national wheat pools? Thirdly, what impact will the changes inherent in this bill have on growers facing severe drought and downturn in income for this and the 2007-08 crop, with the possibil-

ity of no seller of last resort underpinning price and confidence and potentially no player in the market with a charter of maximising returns to growers?

These are some of the questions that I have been asked. The only way of addressing these concerns in the short term is to absolutely guarantee full consultation through proper survey and polling of all growers—the sentiment inherent in the proposed amendment from the member for New England, which I strongly support.

I must say, to cover the other side of this debate, that I have received one strong submission from the central west from a wheat trader who criticises the single desk. This operator employs 40 people and the business has grown through the containerisation of grain for export, which is not an unusual feature of the grain industry. Further expansion of this business would be welcome, but the company is hamstrung by the veto power of the AWB. There is concern that the surrender of export details, customer details and so on is a surrender of market advantage to the AWB. This company is concerned, with the all-encompassing power of the current veto arrangements and what appears to be the ad hoc issuing of licences for container export, that this company is severely disadvantaged. The suggestion is that the single desk be at least taken away from AWB International; that comes from this particular supplier. That suggestion has been made elsewhere. I have heard strong arguments from wheat growers why this should not happen. The grower shareholders in the company and the impact that the loss of the single desk would have on that investment is one major reason that is given.

So we have differing views. But I believe we should not throw away a marketing advantage that the majority of growers want—that is a major pool and a single desk. The

member for New England's amendment, giving wheat growers the opportunity to vote on options for change, is necessary to recognise that strong desire from growers struggling with the worst drought on record and most concerned about their pool return for last season, this season—if any—and next season, praying that the drought breaks. We owe our growers that, and this is a test of the government's bona fides and their true concern for the fortunes of rural Australia. I will also be supporting the opposition amendment in the interests of absolutely fair and open scrutiny of our wheat marketing arrangements, with a view to securing the outcome that the majority of the industry wants.

Mr FORREST (Mallee) (6.38 pm)—I rise to speak to the Wheat Marketing Amendment Bill 2006. My remarks tonight will be brief in view of the hour and in view of my determination to ensure parliament does not get up tonight without having this important legislation in place. I wish to place on the record my reaction to the amendments that have been foreshadowed both by the member for Hotham and by the member for New England.

As the member for Mallee representing fundamentally the wheat belt of Victoria, the great regions of the Mallee and the Wimmera, in my view the member for New England's suggestion to conduct a plebiscite of growers is not necessary at all. I spend an enormous amount of time with my growers. Over their harvests it is not uncommon for the member for Mallee to pull up, wander into the paddock and do a few rounds in the tractor and the header. I am absolutely convinced that the view of my growers is that the significance of the single desk in the great majority is paramount.

We cannot change what has been done. I would like an opportunity to rebut the comments made by the member for Hotham. I

have never been much for the silly games that get played in this place but as I listened to the member for Hotham's contribution I thought, 'Here's a pitch for a portfolio if ever I heard one.' The suggestions in his amendment are just far too prescriptive. I have absolute confidence in the industry that it will join in partnership with the government to resolve this difficulty. Paramount in my hardened mind is the interests of growers.

There are three things that have to be done. One is that, whatever the outcome of this six-month period, it will be in the interests of growers. The single desk is not the prerogative of the government or any member in this place. The single desk is what growers want. It is not up to us whatever our positions and philosophies are on the free market. Growers continue to make it clear. I know from my close consultation and regular contact with the wheat and grain growers of the Wimmera-Mallee that at least 85 per cent, if not higher, are anxious to ensure that something similar to our current arrangements with the power of veto stay in place. They are convinced of the benefit to them.

I have complete confidence in the minister. I say to all those people out there saying that the power of the veto has gone: it has not gone; it has been placed in the sure and safe hands of someone who understands this industry and is going to take good advice from those members who represent and spend the most time with wheat growers. I am really confident and assured of that. We cannot undo what has happened. It is true that the sacred chalice was handed to AWB for them to behave responsibly with this important power they had—the capacity to veto the opportunity for other participants to share in the market.

My priority is the interests of my growers. I can assure you I will be conducting extensive consultation. I have just been listening

to the discussion about everybody having a peaceful and quiet Christmas. I can assure you that will probably not be the case for the member for Mallee. I will be out there. I am already out there—by telephone—having discussions with the thousands of wheat growers that I represent. They elect us to come to this place as the members of the House of Representatives and our obligation is to ensure that when we ‘re-present’ we are in touch with the views of the majority. That is the confidence they place in us when they elect us to this place.

I think a plebiscite, a ballot or whatever is completely unnecessary. It is an additional expense. What I want to see is expeditious action, and I am confident that the minister will deliver. I want to commend this bill to the House so it is dealt with expeditiously. Then we can all go home to the Christmas we celebrate.

On indulgence, through you Mr Deputy Speaker, I would like to endorse the remarks made about the season we have come to celebrate. I do not apologise for the fact that this is the birthday of someone who is the centre of my faith—the rock of my value system. I make no apology for that. It inspires us to pursue that goodwill and the challenge to overcome our human frailties and to extend that goodwill to the people around us. I commend this bill to the House and look forward to it being dealt with expeditiously.

Mr WINDSOR (New England) (6.43 pm)—I will not go through the whole wheat debate again, because I think people do want to get out of here tonight, but I do have an amendment that two members have already referred to. The member for Calare is supporting it and the member for Mallee suggested he will not, at least—I am not sure what the government’s view will be. But there are a number of issues that I would like

to raise in this debate on the Wheat Marketing Amendment Bill 2006.

Every member of parliament who has spoken on this issue in recent months has spoken with great concern for the wheat grower. The member for Mallee did just a moment ago. He has great concern for the grower, the people he pulls up and talks to. The minister spoke about the wheat grower, how paramount this issue is to the wheat grower. The Leader of the National Party and Deputy Prime Minister at the rally in Victoria told the wheat growers that, if there were going to be significant changes to the wheat marketing arrangements in terms of the single desk, there would be a poll taken of wheat growers so that wheat growers could express their views.

The member for Mallee has a strong view. I appreciate his view that something similar to the situation the wheat growers have now should be maintained into the future. I think that is a view that is held fairly strongly by the wheat growers. I just cannot see why a poll of their views on the options that are going to be presented to them is a threat to the system that the member for Mallee believes in. Surely it would be a support if that is what the growers want. The Deputy Prime Minister is going to put his trust in the—

Mr Bruce Scott interjecting—

Mr WINDSOR—The member for Maranoa says that there is going to be consultation. Thank you very much. The Deputy Prime Minister says a similar thing. He has gone back on his commitment to growers that he would poll them about significant changes. He is saying that he will consult with the industry. Let us have a look at who that is. I used to be a member of the Grains Council of Australia. I do not know whether the system has changed, but when I was a member, I represented the New South Wales Farmers Association and I was a coarse

grains member on the committee. A coarse grains member does not necessarily grow wheat. In my case, I did grow wheat, but I had a say on the wheat industry. What you could have are people who do not grow wheat having a say through the Grains Council of Australia about the future marketing arrangements of the wheat industry, which could have implications for other grains that may or may not be exported.

If you look at the recent history of the Grains Council of Australia in advocating for grain growers—they are not there for the wheat industry; they are there for grain growers—you will see that they have been more interested in the future of the feedlot industry. When the ethanol and biofuels debate was taking place, the Grains Council of Australia, which is supposed to be there representing grain growers, came out and condemned a mandate of ethanol on the basis that it believed that the motorists of Australia should have choice and that it could have an impact on feedlotters. If that is the group that the wheat growers of Australia are going to put their faith in, God help us. If people took the time to look at the recent history on the various visions of wheat marketing, they would see there are a number of other things. Some work has been done—some by American related consultants—that I will not go into at the moment, but I urge others to.

The other peak body that the Deputy Prime Minister and, I presume, the Minister for Agriculture, Fisheries and Forestry would put their trust in would be the National Farmers Federation, which is supposedly a peak body representing farmers. The people on the National Farmers Federation come from constituent bodies, but they do not necessarily come from grain growing areas. I regard the President of the New South Wales Farmers Association, Jock Laurie, as a friend. He does not grow wheat—he is a wool grower—but he is on the National

Farmers Federation. He may well have a critical part in the decision-making process on the future of our export arrangements.

If we look closely at the performance of the National Farmers Federation in recent years, do we see an organisation that has represented farmers? I think not. Look at the issue of Telstra. All the polls that were taken, including some that were done by farm organisations—constituent members of the National Farmers Federation—did not want Telstra to be sold, but they voted to sell it. They endorsed the government arrangement by saying that they had been promised a letter that would deliver equity of access for country people to broadband and basic telephone services. No-one has ever seen the letter, but Barnaby Joyce voted for the sale in the Senate on the basis of that commitment. The commitment is absolutely gone. These are the people that the government is going to put their faith in to make a major decision about the future of one of our greatest industries. We are all well aware of the corrupt activity in world markets. The point that I make is that a lot of these people are not particularly interested in the wheat industry and a lot of these people have other agendas behind the scenes—political agendas or a whole range of other agendas. The only way, Minister, that you can find out what the growers want—and it does not circumvent the course of government—is to ask them. Ask these constituent bodies, but do not let them be the final arbiters.

I suggest—and what the amendment does this—the industry groups, the Wilson Tuckeys of this world and others put up options. Given the discredited nature of the Wheat Board, we should be looking at options. My particular view is very similar to that of the member for Mallee: that is, we should end up with something that is not all that dissimilar to what we have now—that is what I think growers are saying, but I have not spoken to

them all; there are 20-odd thousand of them. But there may be a slight modification. There may be other options and this is a time when those options should at least be aired.

The various media reports I have seen today suggest that there will be some options prepared by various people within industry. All I am suggesting is that when they are prepared, those options—with the arguments for and against—be mailed out to the people whose livelihoods are going to depend on the decision that the government makes so that they at least have a say. They can sit around their own kitchen table—away from the political view, away from the agripolitical view and away from this parliament—and come together with their own communities and ask, ‘What do you think of this?’ and take advice, but let them have a vote.

That vote does not have to bind anybody. In fact, it would actually give government and the minister some guidance in terms of what the growers actually think. The cabinet is quite at liberty, given our parliamentary process, to make a decision that is completely different. But, if we do not really consult the growers on an issue of this magnitude, when we all go through this palaver about how we are so concerned about the wheat growers—the blokes on the tractors—I think we are doing them a great disservice.

So I would suggest again: produce the option, take the time to mail out the option and ask for the wheat growers’ personal opinions. I do not just mean shareholders of AWB. A lot of them are not wheat growers. A lot of them have other interests. I would suggest that the poll actually reinforces the argument of the member for Mallee, if in fact he is representing the people in his electorate—and I have no doubt that he is.

The other issue that I would like to raise in relation to the poll is that, if this amendment is voted down today, I intend to poll the

growers. It is possible to do. I intend to do it, because I feel very strongly about this. Those people deserve a say. You cannot go out into the countryside, as the Deputy Prime Minister did, and say to people, ‘If there’s any change, trust in us’—with placards up in the background saying how great you are—and, if there’s any significant change, we’ll come back to you.’ He did not say, ‘We’ll come back to David Crombie or Peter Corish or Jock Laurie.’ He said to the people of Victoria, I think in the member for Mallee’s electorate, ‘We’ll come back to you on this’—not to the industry leadership group but to the farm community.

If anybody suggests that those people who drive those tractors are not capable of making rational decisions about their own future, I think that is an extraordinary insult. If this amendment is not supported today, that is essentially what this parliament is doing. It is saying: ‘We feel for you; we understand about the \$300 million that has gone berserk in Iraq and the \$30 or \$40 that the Western Australian grain growers are going to suffer this year. We recognise the problem. We have put in place a commission to look at the administrative problems. But we don’t trust you to be part of the decision-making process.’ What if the ones that we do trust are the traditional lackeys of the system—who do not represent farmers, in my view? Others may have a different view. I have been critical of the NFF for some time now, and I think it is a great tragedy to see an organisation that could be leading the farm sector degenerate into the representative body that it is. I think it is a great shame—I was involved with it quite strongly some years ago—to see it fall away the way it has. I have had no-one ring me up and condemn me for attacking the National Farmers Federation.

I say to the minister once again: if you are serious about grain growers, you have an

enormous responsibility on your shoulders for the next six months. You have the grain industry in your hands. I will be voting for you to take that responsibility. But do not assume that that allows you to just talk to a few people in a room somewhere and make some deal that you believe will solve a few political problems in here and then convince a number of the key wheat growers that that is the way it should be done. That is not the way the rhetoric has been conducted. I urge the parliament to support the concept of a non-binding poll of every registered wheat grower so that you can get their view before any final cabinet decision is taken.

Mrs HULL (Riverina) (6.57 pm)—I want to say at the outset, as I rise this evening to speak on the Wheat Marketing Amendment Bill 2006, that I realise we are short of time and we have agreed that we will spend limited minutes on this bill. But I want to say how very proud I am of The Nationals members in this House who have fought solidly to retain the single desk and the option that we have on the table at the moment. I would like also to make reference to the member for Pearce, the Hon. Judi Moylan, for her absolute, solid commitment to the facts and the issues that are confronting the growers in Western Australia. My admiration for the member for Pearce is extreme, and I want to thank her for all that she has done within this debate as well.

I think everybody who stands and represents growers is very passionate about this issue, an issue that has been foisted upon us through no fault of the growers and through no fault of the politicians. As might have been alluded to in this House, there are people who have a different opinion from me, but let me say that the members who represent wheat growers are very, very concerned about the position that we find ourselves in and are very passionate to ensure that we come up with the best possible outcome.

Thus my thanks go to the Prime Minister for working through this with the Deputy Prime Minister, Mark Vaile, Leader of The Nationals, and the Minister for Agriculture, Fisheries and Forestry, the Hon. Peter McGauran, for working through this process and listening to the concerns of their backbenches and being able to find a way forward to enable our growers to have a say.

I would like to refer to what I have found to be the most succinct and stable point of view that I have heard in this whole process. I am not going to mention the name of this person, but they are a Western Australian grower. Western Australia has obviously been very much at the forefront of this whole process. I am going to quote from this email, simply because it stacks up and succinctly says where we need to be. This person says:

I don't mind improvement. I am very keen on being the best out there. But I am really not keen about being a political football. I am irate that my income, livelihood and my children's future being used for someone else's political purposes. Momentous changes of wheat marketing for this season are going to be voted on by those who have little understanding of the complexities of our daily lives and industry. For many, that is no fault of theirs, it is a set of complex inter-relationships and global business is understood by few. We have been poorly served by both our political representatives and our grower organisations.

... ..

I do not believe there is anything to be gained by precipitous action and if anything, dreadful mistakes can be made that cannot be rectified. I believe that calm, information (not media hype and innuendo)—

which we have seen happen in this House time and time again—

balance of many factors as this is not *just* marketing overseas we are talking about. This is a commercial, integrated, organised, national industry. It stands to be chopped up, bureaucratised with no

economies of scale and pitting grower against grower, state against state, grain against grain.

United we stand and divided we shall fall. If we do not make our voice heard and it seems it is going to have to be individually, why would any politician worry about farmers?

This person says:

Please do not feel inhibited by your thoughts of "I cant make a difference" or "I'm not good at this"...

This person then goes on to say:

... you can by just making a few comments. The politicians need to know you really do care.

The email continues:

West Australian wheat growers, along with the vast majority of the nations' growers, ask the Senators of the Australian Parliament to put the stability of our industry first.

Obviously this was written when there was the threat of a private member's bill in the Senate. It continues:

We, your constituents in many parts of Australia, request that you vote against the Private Members Bill calling for the power of Veto to be removed from AWB International, the export marketing subsidiary of AWB Ltd.

We need certainty of marketing for the 2006 Harvest. We need an orderly marketing system. We need the Government to give certainty to the AWB 2006 pools. We must not have a change in the rules midway through this harvest. The time is critical. The harvest is drought affected and historically critically tight supply for both domestic and export customers.

This person, as a Western Australian farmer, says:

WA Farmers are warehousing grain as there is no market certainty. If you remove the power of Veto and introduce multiple sellers into the wheat market at this late stage you will give the kiss of death to the AWB 2006 Pool. Many growers, Australia wide have already delivered into these pools. The costs have to be divided between those growers. A pool has to be managed from early this year, well prior to planting even starting and for the following 18 months. Pools take every and

all grades and types. Those opportunists who claim to be concerned for growers returns this year, promoting the introduction of this bill, can only market certain types and grades leaving many growers completely exposed. It is critical in this drought year that our long term customers are serviced, growers have certainty to use all the avenues of wheat marketing available to them and to maintain the viability of the current and past pools.

This person goes on to say:

WA growers are particularly exposed.

Now this person has put up the following suggestions:

2. Maintain the current marketing arrangements for the current and past pools
3. Review, with extensive consultation of growers, wheat marketing of Australia's grain post 2006 harvest

Australian Wheat Growers need a strong national system of wheat marketing. WE enjoy no subsidies, we are the most efficient farmers in the world with the poorest soils, high input costs, high labour costs. We produce the highest quality wheat in the world and our productivity gains have been massive over the last 20 years. We are technological innovators, we are leading edge in farming and grain growing .We have wives, children and families in remote rural areas. We take pride in looking after ourselves, being independent and maintaining the strongest communities we can. We are the base of rural towns and industries and we are in trouble.

We ask only one thing of the Australian Parliament and that is to market our grain to the world from a position of strength—a single seller into a distorted global market.

I am saying to you, Mr Deputy Speaker, and to the House: if every member gets involved, growers will be spoken to because they are all represented by members in this House. The more involvement we have, a greater voice we have. I suspect that the members of the House are the ones who should be consulting with their growers on an individual basis.

Mr KELVIN THOMSON (Wills) (7.05 pm)—We have been having a debate in this House this week about responsibility and the need for the government to take responsibility for the areas of public policy which matter in this nation. But there can scarcely be more striking and dramatic an example of this government's failure to accept responsibility, its refusal to accept responsibility, than the way in which it has handled the AWB scandal. It has effectively suggested that nobody is to blame; we did nothing wrong. They are not going to chastise anybody. You hear nothing about action within the Public Service or anywhere else to seek to bring home any accountability for what is the greatest scandal in this nation's history.

Hearing the contributions of some members opposite, it seems to me they are living in fantasy land, they are living in a dream world. This is the government which set up this debacle with its legislation to privatise AWB. We have the member for Gwydir in the chamber. For decades the single desk operated without controversy, but that was not good enough for this government. It brought in legislation which killed the goose that laid the golden egg. It set up a conflict of interest whereby AWB is obliged, under its legislation, to give its first loyalty to wheat growers and, under the companies legislation, to give its first loyalty to shareholders. It is said in the Christian Bible: 'No man can serve two masters.' That is indeed the case.

The government set up a conflict of interest. It has been an accident waiting to happen. The government now says, 'We are taking the monopoly back from the AWB and we are giving it to the minister.' The question I want to raise is: what is going to be the role of the Wheat Export Authority? It has emerged from this debacle as smug, complacent and clueless. Indeed, one of the options available to the government was to pass the monopoly powers to the Wheat Export Au-

thority. The Prime Minister was asked about this and he said, 'The Wheat Export Authority was commented on by the Cole inquiry'—and indeed it was, in very unfavourable terms. It is absolutely extraordinary that the Wheat Export Authority could have conducted an inquiry into how the AWB was performing at the time when all these kickbacks were occurring and yet have found no evidence of the payment of kickbacks—frankly incredible.

My question to the House and to the minister is: what is the Wheat Export Authority's role now? Are its staff not effectively being paid to sit down and do nothing? It seems to me that that has been the case all along—it was either the 'wheat export rubber-stamp authority', so far as the AWB was concerned, or the 'wheat export refusal authority', so far as everyone else was concerned. It is now blindingly obvious that this is an authority which is lacking in any legitimate function or purpose.

The Wheat Marketing Amendment Bill 2006 is an admission by the government that they failed to get the structure of the AWB right in the first place and that, ever since then, they have failed to adequately monitor its performance. This debate ought to be accompanied by an abject apology from the Howard government to every Australian wheat grower. You have Minister Vaile saying, 'We've been cleared by the Cole inquiry,' utterly without shame. The fact is that the wheat market in Iraq has been lost. They are not even trying to go there anymore. Great damage has been done to Australia's international trading reputation, but we have a government which is utterly without shame and refusing to accept responsibility.

Every wheat grower deserves an apology for the failure of a succession of National Party leaders and ministers to do the jobs that they were elected to do and have been

paid to do. We had the member for Gwydir, who as agriculture minister devised that flawed structure for the AWB at the time it was privatised. We had the current National Party leader, who took this legislation for the flawed structure through the parliament. Then we had the now deputy National Party leader asleep at the wheel while the Wheat Export Authority failed time and time again to properly do its job and allowed the AWB to run amok. This has been a disgraceful failure on the part of the National Party representatives to look after the people whom you claim to represent and were elected to represent.

In 1999, your government privatised the Australian Wheat Board and the AWB became a grower owned company under Corporations Law.

Mr Hunt—Mr Deputy Speaker, on a point of order: I would ask that the speaker be urged to address his remarks through the chair.

The DEPUTY SPEAKER (Mr McMullan)—The standing orders do require him to address his remarks through the chair, but if he did he would be the first in this debate. I call the member for Wills.

Mr KELVIN THOMSON—Thank you, Mr Deputy Speaker, I will observe your ruling. AWB Ltd has two classes of shareholders. Class A shares are restricted to wheat growers while class B shares are traded on the Stock Exchange—or they were until trade was recently suspended. We have had a situation where the proportion of shares held by growers has been steadily decreasing, as has the value of the shares they own. A particular point of contention for growers is the service fee and the bonuses that are paid by AWBI to AWBL. That service fee was set at a minimum of \$65 million per annum. A key problem of the services agreement is the fact that its contents have been kept secret from

growers and just about everyone else. This secrecy has become a hallmark of the arrogant way in which the AWB has been conducting its business.

As I indicated before, its structure contains an inherent conflict of interest. You have company law requiring the AWBL to maximise returns to shareholders while its constitution requires that it acts to maximise return to growers. In granting a legislated monopoly to a Corporations Law company, the government has created a recipe for disaster—an accident waiting to happen. Over and above all this we have had the failure of the Wheat Export Authority to do its job.

It was created in 1999 by this government to monitor the AWB's performance in relation to the export of wheat and examine and report on the benefits to growers that result from that performance. It has had considerable powers with which to do that job, but, as the Cole inquiry has brought out, it has failed monumentally to do that job. Indeed, we learnt at the start of September that, to the astonishment of all, the AWB had struck an agreement with its exporting arm, AWB International, in 2004 concerning a break fee should the government decide to dismantle the single desk, and the Wheat Export Authority did not even know about this break fee. It did not find out about the termination clauses in the company's agreement until more than a year after the contract was signed. It is just absolutely astonishing that you can have an authority that is kept in the dark and utterly clueless on these matters.

This is not without cost to wheat growers—not only in the ways I have described with the loss of the market in Iraq and the loss of Australia's trading reputation but, at a more practical level, there is a wheat export charge to contribute the majority of funding for the Wheat Export Authority's operations. Back in October 2003 that charge came into

force by regulation, set at 22c per tonne on all Australian wheat exports. It has yielded several million dollars each year, and wheat growers have been paying that levy for the provision of what service which has been of value to them or to anybody else?

I support the remarks made by the member for Hotham. I have listened with interest to other contributions to this debate, particularly that by the member for O'Connor. I think what the government needs to do is provide some answers and to provide the House with some guidance as to what it intends to do with the Wheat Export Authority in the light of this legislation and in the light of the Wheat Export Authority's performance as revealed by the Cole inquiry.

Mrs MOYLAN (Pearce) (7.15 pm)—At the outset I thank the member for Riverina for her very generous comments. As I speak to this Wheat Marketing Amendment Bill 2006 I must say it is undeniable that the Iraq wheat saga has been a shabby affair and the wheat growers of Australia have been very badly let down by those responsible. The Cole commission of inquiry has brought down its finding, and I do not propose in the short time available to comment further. It seemed inevitable, though, that this event would once again open discussion about the future of the single desk. Growers have long argued the merit or otherwise of the AWB holding the power of veto and marketing the bulk of Australia's export wheat through the single desk.

Foreshadowing that discussion, I called a meeting in York in the Pearce electorate to seek the views of growers. At that meeting the majority of growers strongly expressed a view that the integrity of the single desk must be maintained. In the wake of Cole, WA growers have also confronted a serious drought and a locust plague. These events have had a devastating impact on rural com-

munities as the economic viability of associated businesses declines, with a roll-on effect well beyond the farm gate.

Farming is a risky business and the management of the export wheat pool from a single desk helps to minimise a number of risk factors on behalf of growers. These include prices, exchange rates, wheat quality and seasonal and market volatility. Growers tell me that the risks will be greater for most growers if the AWB or a similar grower owned entity is unable to take a longer term strategic approach to selling wheat in the intensely competitive international marketplace.

Currently, the European Union maintains price support for wheat in excess of 40 per cent of its total value, and the United States similarly maintains price support of 30 per cent—in other words, a \$3.3 billion handout to growers, as well as the advantages of export credits and food aid operated by the United States. Under the single desk system growers tell me they have benefited from premium wheat prices and an integrated package of services. One man wrote to me to say that he had been well served by the single desk for something like 70 years. The international marketing activities undertaken by the AWB have secured market share, delivering reasonable consistency and certainty to growers for many years. That is the message that my growers have given to me.

Time does not permit me to go into all of the arguments put to me by growers in Pearce. However, it is clear that the majority of growers who have taken the time to comment want the single desk system to continue. This includes some young, energetic growers. I spoke to one on his harvester the other night who related to me his experience selling wheat outside the pool. There can be no benefit in a knee-jerk reaction to Cole by dismantling a system that has produced a

reasonably consistent result for growers. In this volatile commodity market and time of drought, it would create further hardship and greater uncertainty.

The bill gives the power of veto to the Minister for Agriculture, Fisheries and Forestry, the Hon. Peter McGauran, for a period of six months. Growers have expressed some nervousness about how the power of veto will be exercised in the hands of the minister and whether it may compromise the AWB's ability to operate so as to maximise the returns to the majority of growers. I believe that this minister fully understands how important it is to the majority of growers to maintain the integrity of the single desk, and I am quite sure that the minister will exercise his power accordingly. Along with this interim measure, the government has announced a consultation process. Over the next three months, growers and grower organisations will have a chance to examine the options for the future of wheat marketing and to make comment. I urge growers in the electorate of Pearce and beyond to fully participate in that process.

I agree with much of what the member for New England has said—indeed, I think in some respects supported by the member for Riverina. As the minister is in the House, I make this point very strongly: we should not be talking only to grower representative organisations, because it does seem, as the member for New England has pointed out, that not all of those organisations fully understand the issues for wheat growers or they are pushing a particular barrow. I do think that we have to ensure that our consultation process not only is with those organisations that represent different sectors of the rural community but also extends out to the individual growers within our community. I agree with the member for Riverina that that responsibility really rests very much with those of us in this House charged with the

responsibility of properly representing our communities. So, as I said, I will be urging the growers in Pearce and beyond to fully participate in this process.

I actually read with interest the comment of the Grains Council in their press release today, where they are calling for a well-structured, independent process for consultations. I support that notion. I hope that, with the passing of this legislation, our growers can get on with running their businesses, growing and harvesting wheat, getting it to markets and getting a return for the tremendous work and effort that they put in—and the contribution they make to this nation should always be acknowledged.

Mr BRUCE SCOTT (Maranoa) (7.21 pm)—I rise to speak about the Wheat Marketing Amendment Bill 2006. I understand we are at the end of a long sitting and everyone is very keen to wrap up this debate. I appreciate that the Minister for Agriculture, Fisheries and Forestry is at the table this evening, and I note he is listening very carefully to the contributions, particularly those that have come from this side of the House. This bill will transfer the power of veto—very importantly on a temporary basis—until 30 June next year. It does not alter the functions or the responsibilities of the WEA, but they now will have to consult with the minister. Overriding that, what has to happen as part of that process is a resolution of the impasse that has manifested itself in Western Australia at the worst time of the year for any wheat grower, which is during the harvest period. At the end of the day I know that the minister will act in the best interests of Australian wheat growers, and I think that is of paramount importance. The major responsibility of the WEA has always been to ensure that the wheat growers' interests are of paramount importance.

It is important at this time to think about why we have had the AWB running the single desk, the national pool, with the power of veto. It is important to reflect on why, under the legislation, those powers were given to AWB in the past. They are important powers. Through the Cole commission of inquiry we learnt that certain individuals—former employees and maybe some who are still in the employ of the AWBL or AWBI—let us all down. They brought great discredit to the wheat growers of Australia. But what was not on trial was the single desk export status of AWB, the management of the national pool or the power of veto. That was not in the terms of reference and was certainly not on trial during the Cole commission of inquiry.

It is also important to reflect on why we have had a single desk marketing arrangement for Australian wheat which has served the wheat growers of Australia well for decades. Wheat growers have to sell their product into world markets that are distorted by the subsidies paid by the Europeans and the United States of America—two very powerful economies that subsidise production of their wheat which ends up in international markets. They are not going to wind back those subsidies. In fact, through the Doha Round of World Trade Organisation discussions, which we could probably say have collapsed, they have failed to move on that very fundamental point of world trade reform. So, as wheat growers, we have to sell into distorted markets against the two most powerful economies of the world. The AWB have done an incredible job in the past and I know they can do it in the future, because they will have to into the future. The minister will have to consider this point when he considers how to exercise his veto power and make sure that we do not undermine the AWB and their operation of the national pool.

The other thing I am mindful of in this debate is that for decades and decades the wheat growers who have delivered to the national pool have known that they will get paid for their commodity. You cannot say that about every rural commodity. I have growers and livestock producers in my electorate who have sold valuable commodities which cost an enormous number of dollars to produce only to find that the company they sold them to has ended up in receivership and they will not receive anything for that year's work. There is a record as long as my arm of companies that have gone broke and the farmers they have received produce from have not been paid for it. That is another one of the great benefits of the AWB and the way they have marketed wheat over many generations: they have never defaulted on a payment to wheat growers. They have always ensured, which is their charter, to maximise returns for the Australian wheat growers, despite selling into distorted world markets. In markets around the world where others would like to cherry-pick parts of the Australian wheat crop, AWB have developed those markets, gone to those markets and shown those people who buy Australian wheat how to get the most out of it—they have an after-sales service as well, if you like.

One of the important things that must happen over the next six months is consultation with wheat growers as to the way forward. There has been a lot of discussion in this place, mainly coming from those on the other side of the House, who would like to tear up the Wheat Marketing Act. They would like to put it through the shredder, judging from comments we have heard in the corridors.

Mr Crean—The AWB achieved that on its own!

Mr BRUCE SCOTT—Here we have the former Minister for Primary Industries and Energy in the Keating government saying he would like to shred it now. There must be consultation with industry, with the wheat growers whose industry it is, during this period, and I would like to think it could be concluded before 30 June next year. The Grains Council of Australia commented today that they would like to see it concluded within the next three months. I do not want to put that sort of pressure on growers as we go into the holiday period, and it may be difficult to get a lot of feedback during this next six to eight weeks, but we must give time to growers and we must hear from growers because it is their industry that we are dealing with.

In a season my electorate of Maranoa produces probably 80 per cent to 90 per cent of the wheat that is grown in Queensland—that is, when there is a season other than the worst drought in 100 years, which they are dealing with out there now. My electorate has also proudly produced three of the last four chairmen of the Australian Wheat Board. My electorate's wheat growers will not be receiving a wheat cheque this year. There are a few who have chanced rain and have delivered some wheat, but overwhelmingly the Queensland crop is probably the worst on record.

The drought bus has been in my electorate for the last two days and I spoke to the staff on it today when it was in Ballon. They are getting a tremendous response as they travel around. In St George, where they were yesterday, there was no wheat delivered. Forty-five people turned up for the drought bus, and only two of them were people in receipt of EC payments. That is a demonstration of how, when you take the services to people to help them in this exceptional drought, this sort of interest from people will come forward because they are so remote from that

face to face service. When I spoke to the staff at three o'clock this afternoon, in the small town of Ballon, 15 people had turned up. That is an example of the need for this service to travel out into those communities.

In conclusion, I thank Minister Joe Hockey for that initiative, and I know that the Minister for Agriculture, Fisheries and Forestry, who is at the table, was supportive of it and pushed very hard for it. I am sure he is very heartened to hear of the sort of support that is happening. I spoke to the staff on the bus this afternoon. I think they were having a bit of a problem dealing with the heat in western Queensland, but they are appreciating the opportunity to hear firsthand from small business and the farmers. In two days, they have had at least 70 people turn up, the majority of whom have not received any EC payments in the past and are new to them and wanting to know what they would be eligible for. I support the legislation before the House and look forward to working with my electorate's growers to bring feedback to the government during the next six months.

Mr WAKELIN (Grey) (7.31 pm)—I have a few words to say about wheat growers, the drought and the circumstances around the Wheat Marketing Amendment Bill 2006. There are three or four basic things that I want to say about recognition of the single desk for export wheat. Effectively, in this year of severe drought there is really one state of the Australia Federation which is directly affected—that is, Western Australia. My own region of Eyre Peninsula in South Australia may have 200,000 or 300,000 tonnes of grain for export.

It is also important to recognise that AWBI, which did have about 80 per cent wheat farmer ownership, is now down to about half of that. Farmers have indicated that, for whatever reason—

Mr Windsor—They need the money.

Mr WAKELIN—That is part of it, Member for New England, but I also think many of them have decided that wheat growing is more important than share trading. In respect of the issue of the single desk and the debate about the premium, now is not the time to talk about it, but there is also going to be a debate about where the single desk premium lies.

Wheat will always be a product with a value. From my own personal experience, I have sold a lot of other agricultural products—wool, meat and other grains—and have always been able to have those payments honoured. I guess I have been fortunate. I have always valued the AWB for its surety in payment. To sum up, the single desk for export wheat in the season of 2006-07 really is about Western Australia and a small part of South Australia. There may be other very small parcels of wheat throughout the rest of Australia. The ownership of AWBI has now passed pretty much in the majority sense from the wheat growing industry to other hands.

We have a financial system now which, thank goodness, in my experience in agriculture—I have been a wheat grower since 1970—has been able to honour all payments. To the minister, I say: you have a very tough task. I cannot see any other way that the government could have got through this, because of the circumstances that we all know about. It is important to remember that the marketing of wheat is actually a lot simpler than the growing of it, in my experience, and therefore, as tough as it looks, I am confident that we will ride this out. I have every confidence in you, Minister McGauran, and in the government that we will find the solutions and that the wheat growers, particularly the export wheat growers, and Australia's best interest are represented in this bill.

Mr ANDERSON (Gwydir) (7.35 pm)—I seek to make a few points. I support the Wheat Marketing Amendment Bill 2006. I wish it were not necessary, but it is in the current circumstances. At the outset, I acknowledge my interest, as a wheat grower, in this whole debate. The Australian wheat industry is a very high-quality industry, and it would be not be such if it were not for the fact that its marketing arrangements are also very good. It is very easy indeed in the current circumstances to rush around saying: 'The skies are falling in,' and, 'It's a corrupt organisation and it's this, that and the other.'

The reality is that Australian wheat is very highly regarded. It is in great demand. There is an enormous disaggregation of wheat types, of quality, of standards and of reflected payments for those standards right through from the different types and styles of wheat through to the Golden Rewards program and what have you. The industry has matured into, I believe, the world's best. I make the point that that has been made possible in large part because of the performance of the AWB, and the Wheat Board before it, over a very long period of time. In short, I do not accept the arguments that it has stifled innovation and held the industry back. I think the evidence for that is to be found in its recognition globally as an outstanding industry which provides a very high-quality product that, in turn, is able to extract a premium.

As part of that debate, I would also point out that I suspect there is no more competent or capable trading desk in this country than the AWB's. Given that nobody could have possibly foreseen what was going to happen to the spot price for wheat, the reality is that, in its hedging and preparation for the future, the AWB probably did a pretty good job. I suspect it does a better job year in, year out than almost any other hedger of any agricultural product in the country, and we ought

not to destroy it because in one year spot prices reached unprecedented highs. It also ought to be noted that, as CBH's offers have come down, AWB's estimated pool returns have gone up. If you add Golden Reward price increases, the reality is that they are probably pretty much lineball at the moment. Those are factors that the minister will have to take into account when he takes up the veto power and seeks to use it to bang heads together to extract a bit of common sense in the current very difficult circumstances.

Let me make a couple of other comments. There are many things I would like to say, but I will not. I will keep myself as brief as I can tonight. I have publicly indicated my very strong support for the single desk. I would like to note that, even with the most cautious of deregulation or playing with a veto, if we are not very careful it will result in the effective dismantling of the single desk. That is something that growers are becoming increasingly aware of, and I would countenance that very careful note be taken in this House and beyond. There are many who say that the single desk ought to go. I am aware that, if there is any electorate in Australia where there would be a substantial body of wheat growers who would like to see change, it is probably in the northern end of Gwydir. But, having said that, there is no doubt whatsoever that the clear majority of growers want it retained and, at the very least, would say we would be mad to give it up until we see some decent trade reform in the rest of the world.

I want to say very clearly and without equivocation that there are friends in America who are saying that they want examinations of how much damage might have been done to their wheat growers by the behaviour of the AWB. Hang on a minute: perhaps it is time that our minister ensured that we had some pretty good armoury ready to defend ourselves with. Remember that the World

Bank, no less—an authority in its estimates of the impact of American and European protectionism on agriculture—put a figure of some \$30 billion a year lost to Australian farmers as a result of the corruption of global marketing and production and trade in agricultural products. So let us be very careful indeed if we are to have a discussion about who has damaged whom in global trade.

No-one defends the actions of those who behave corruptly but I would again say: let us keep some perspective about this. Any business structure is capable of being corrupted by people who do the wrong thing. The simple reality is that mankind has not devised a corruption-proof legal entity, company entity, political entity or private entity. It does not exist. We are always heavily dependent upon people with appropriate law qualifications and appropriation actions and goodwill on the part of people who are involved in any sphere of human activity.

Nobody condones what has happened, but we need to be very careful lest we do great damage to Australia's wheat growers at a time when, to put it bluntly, it is not only the drought and the behaviour of the AWB that have made their lives much more difficult but also the governmental practices of many other countries in the world. We ought to remember that we owe it to our wheat farmers to point that out vigorously every time they and we are attacked. We have at great cost gone out and exposed ourselves to the world—made ourselves vulnerable—through an in-depth investigation of the AWB. It has emerged that a number of people have behaved highly inappropriately—or at least the charge can be made and is likely to be made to that effect—but we need to keep this very unfortunate incident in some perspective lest we find that the cure is worse than the disease, for wheat growers at least.

Let me say that I understand—I really do!—the immediate attraction of a poll, but the minister is in a very difficult position. This will not be easy for the minister; I know, I have been one. When it comes to industry consultations, you will have information coming at you from everywhere. I remember in the days when we were talking about the Garnaut report into the wool industry, I personally conducted 23 meetings around rural and regional Australia so that people could approach me directly with their views. And it was an exhausting exercise. I am not going to put the wood on you to do the same thing, but I am going to say that it is very important indeed—

Mr Crean—You needed a Labor government to give you that sort of consultation.

Mr ANDERSON—I did the consultation that the shadow minister at the table did not do, even though we ended up cooperating very well on that issue. Fair's fair!

Mr Crean—An independent review; that's what our amendment suggests.

Mr ANDERSON—Let me just say this: you will have to pull a lot of divergent views together, and you will have to take proper account of them, but I do say to you that I think the government has the responsibility for pulling all of this together, having collated carefully the views not only of the industry and of individual growers but also of backbenchers, whose responsibility it is to hear the views of their industry representatives and their growers in particular and to feed those views into this place via the normal process in the party room.

We have to be practical about this. The government must listen but, as the body that gifts the single desk, it has a responsibility to secure the confidence of wheat growers and the trade internationally in the future. I support the proposal before us from the minister. I again emphasise the importance not only of

listening very carefully to the growers but also of accepting that the government has the final responsibility in this matter.

Mr McGAURAN (Gippsland—Minister for Agriculture, Fisheries and Forestry) (7.44 pm)—I wish to thank the members of the government and the Independent members for New England and Calare for their constructive and supportive contributions to this extremely difficult and complex issue, in both economic and social terms, during this debate on the Wheat Marketing Amendment Bill 2006. The members for Wills and Hotham, predictably, tried to make politics largely out of their contributions. If it is out of their systems now and they can now move on to debate the merits of the issues that lie ahead then we will all be well served.

The government believes that removing the bulk veto power from AWBI will give growers greater confidence in the accountability of export decisions following the Cole inquiry. The change will also provide for clearer separation of the commercial and regulatory functions of the current wheat marketing arrangements. These temporary arrangements will provide greater flexibility to government to manage the single desk in a way that maximises returns to growers while it considers the policy moving forward.

The temporary measures will address current concerns in industry about the wheat marketing arrangements, particularly in Western Australia, where there is not the same range of options for the sale of wheat because the domestic market possibilities are not as available to them in any real sense as they are in the Eastern States. The government will consult widely over the next three months at the grassroots level so that the interests of wheat growers are considered in any future policy on wheat marketing arrangements.

I have been asked on more than a few occasions in the 72 hours since the government made its announcement to transfer the power of veto to the Minister for Agriculture, Fisheries and Forestry under what circumstances it would be in the public interest to waive the veto. It will depend on the circumstances in question. Each situation will be different and any guidance that I may give now could not reflect all of the complexities likely to exist and the balanced judgements needed.

In approving or rejecting a bulk wheat export application, I do not want to create two classes of wheat growers—those who are winners and those who are losers. I will not allow the very livelihoods of farm families to be decided by a lottery of who acquires and exports their wheat. This will almost certainly require compromises by the parties involved. Not everybody will get everything they want during this interim period. Instead, it is up to the industry and government over the next few months to decide permanent arrangements. Fairness is paramount and will be the government's guiding principle.

I will turn now to the amendments. On the amendments to be moved by the member for Hotham, I should simply say the type of review proposed would be both time consuming and unnecessary. The industry has been subject to review after review. Do not delay the hard decisions that have to be made by one and all. The government has already committed itself to a process of consultation with growers and stakeholders as to the future of wheat marketing arrangements.

Looking now at the more thoughtful amendment to be moved by the member for New England, needless to say, there has already been considerable discussion about those future wheat marketing arrangements. I have been presented, in company with, I would suspect, many members of the government and a spattering of those opposite,

with numerous industry proposals. These proposals have represented not only positions that are for or against the single desk but also a range of intermediate positions. A poll to determine the level of support for the single desk would not allow in practical terms consideration of these intermediate positions. In light of this I do not anticipate the government will be conducting a poll to determine the level of support for the single desk. Instead it is for individual members representing their constituents, being accountable to them for the judgements they make, to represent their views and come to a fixed position. Already during the course of this debate a number of members have declared that they support a single desk in much the same form as it exists today.

Instead, I hasten to assure the House and wheat growers far and wide that it is my intention to write to all growers to inform them of the consultation period and seek their views on the crucial issues. The government will consider the proposals put to it and determine what arrangements will best serve the wheat industry into the future. The views of Australian wheat growers will be at the forefront of our deliberations. I commend the bill to the House.

Question agreed to.

Bill read a second time.

Consideration in Detail

Bill—by leave—taken as a whole.

Mr CREAN (Hotham) (7.50 pm)—by leave—I move amendments (1) and (2) together:

- (1) Schedule 1, page 3 (after line 4), before item 1, insert:

1A Paragraph 5(1)(b)

Omit “and examine and report on the benefits to growers that result from that performance”.

(2) Schedule 1, page 3 (after line 9), after item 1, insert:

1B After subsection 57(7)

Insert:

- (7A) Before 1 April 2007, the Minister must cause an independent review to be conducted of the following matters:
- (a) the operation of subsection (1A) in relation to nominated company B;
 - (b) the conduct of nominated company B in relation to:
 - (i) consultations for the purposes of subsection (3A); and
 - (ii) the granting or withholding of approvals for the purposes of subsection (3B); and
 - (iii) returns to growers;
 - (c) the economic impact of export wheat control arrangements on Australia's domestic wheat market;
 - (d) the benefit of maintaining export wheat control arrangements;
 - (e) recommended changes to export wheat control arrangements;
 - (f) recommended changes to monitoring and reporting arrangements.
- (7B) The review conducted in accordance with subsection (7A) is to have the same powers, procedures and protections of an inquiry conducted by the Productivity Commission in accordance with the *Productivity Commission Act 1998*.
- (7C) A review under subsection (7A) is to be conducted by a panel nominated by the Minister by a written instrument.
- (7D) An instrument prepared under subsection (7C) is a legislative instrument for the purposes of the *Legislative Instruments Act 2003*.
- (7E) The Minister must cause a copy of the report of the review prepared in accordance with subsection (7A) to be tabled in each House of the Parliament within 25 sitting days of that House after the

day on which the Minister receives the report.

These amendments will ensure the government, in consideration of where it goes in the future, does what it so dismally failed to do over recent months. It has had no regard to the way in which the Wheat Board has been conducting its single desk operations. That is why we have ended up with the scandal that we have. Despite all of the warnings it did not lift a finger to intervene and now it wants us to believe that leaving it to it and it alone will sort the direction out for the future. It will not. It has been negligent, it has been hopeless, they have maladministered it functions and a string of ministers for agriculture on the other side of the House have been totally failing in their duties and responsibilities to the wheat growers of Australia.

We need the sort of comprehensive review that was set up in periods in which Labor was in office. I remember setting reviews up into the wool industry, for example, and into the grains industries, the dairy industry and the sugar industry. We need independent assessment. We need to put the spotlight on the key issues that need to be addressed. The amendments that are proposed here talk about returns to growers being part of the review, along with the economic impact of export wheat control arrangements in this country, the benefit of maintaining export wheat control, the changes—if any—that are recommended to export wheat control and the putting in place for the future of appropriate monitoring and reporting arrangements. I do not know where the member for Gwydir got off in terms of the Wheat Export Authority, but it was totally negligent in its monitoring role and totally negligent in its reporting role—in fact, it made a virtue of the fact that it could not publicly report. No wonder that we got into the mess that we did.

I will not take any more time on this issue. We support these amendments. They are es-

sential to go forward. I understand the circumstance in which this interim measure needs to be put in place, but the government has given no indication as to what its thinking is and is still without a clue as to the future. Let us put an independent body in place—something like the Productivity Commission—so at least they can get some decent input, because so far they have not had a clue. I commend the amendments to the House.

Very briefly, and so I do not have to get up again, I should address—as I said I would—the member for New England’s amendment. I understand the point, and it is essential in this process that there be full and proper consultation. At the end of it, I am not too sure that the member for New England’s proposition does not make sense; I am just not prepared at this stage of the game to, on behalf of the opposition, commit to that course of action. Let us get the review up. I would urge the House to support it. Let us make a judgement at the end of that as to how we take it out to the growers and consult with them. But at this stage we will not be supporting the amendment to be moved by the member for New England, even though I understand fully the intent and the goodwill with which he puts it forward.

Question put:

That the amendments (**Mr Crean’s**) be agreed to.

The House divided. [7.58 pm]

(The Speaker—Hon. David Hawker)

Ayes.....	43
Noes.....	<u>65</u>
Majority.....	22

AYES

Adams, D.G.H.	Andren, P.J.
Bevis, A.R.	Bird, S.
Bowen, C.	Burke, A.S.
Byrne, A.M.	Corcoran, A.K.

Crean, S.F.	Edwards, G.J.
Ellis, A.L.	Emerson, C.A.
Ferguson, M.J.	Fitzgibbon, J.A.
Garrett, P.	Georganas, S.
George, J.	Gibbons, S.W.
Gillard, J.E.	Grierson, S.J.
Griffin, A.P.	Hall, J.G. *
Hatton, M.J.	Hayes, C.P.
Irwin, J.	Kerr, D.J.C.
Livermore, K.F.	McClelland, R.B.
McMullan, R.F.	Melham, D.
Murphy, J.P.	O’Connor, B.P.
O’Connor, G.M.	Price, L.R.S. *
Quick, H.V.	Ripoll, B.F.
Rudd, K.M.	Sawford, R.W.
Sercombe, R.C.G.	Snowdon, W.E.
Thomson, K.J.	Wilkie, K.
Windsor, A.H.C.	

NOES

Abbott, A.J.	Anderson, J.D.
Andrews, K.J.	Bailey, F.E.
Baird, B.G.	Baker, M.
Barresi, P.A.	Bartlett, K.J.
Bishop, J.I.	Broadbent, R.
Cadman, A.G.	Ciobo, S.M.
Cobb, J.K.	Dutton, P.C.
Elson, K.S.	Entsch, W.G.
Farmer, P.F.	Fawcett, D.
Ferguson, M.D.	Forrest, J.A.
Gambaro, T.	Gash, J.
Georgiou, P.	Hartsuyker, L.
Henry, S.	Hull, K.E. *
Hunt, G.A.	Johnson, M.A.
Jull, D.F.	Keenan, M.
Kelly, D.M.	Kelly, J.M.
Laming, A.	Ley, S.P.
Lindsay, P.J.	Lloyd, J.E.
Macfarlane, I.E.	Markus, L.
May, M.A.	McArthur, S. *
McGauran, P.J.	Mirabella, S.
Moylan, J.E.	Neville, P.C.
Pearce, C.J.	Pyne, C.
Randall, D.J.	Robb, A.
Ruddock, P.M.	Schultz, A.
Scott, B.C.	Secker, P.D.
Smith, A.D.H.	Somlyay, A.M.
Southcott, A.J.	Stone, S.N.
Thompson, C.P.	Truss, W.E.
Tuckey, C.W.	Turnbull, M.
Vaile, M.A.J.	Vale, D.S.
Vasta, R.	Wakelin, B.H.

Washer, M.J.

* denotes teller

Question negatived.

Mr WINDSOR (New England) (8.07 pm)—I move:

Schedule 1, after item 2, page 5 (after line 7)
add

3 After Part 4

Insert:

***PART 6 – REGISTERED WHEAT
GROWERS TO BE GIVEN
OPPORTUNITY TO VOTE ON
OPTIONS FOR CHANGE***

66 Registered wheat growers to be given opportunity to vote on options for change

Before further changes to the legislative provisions governing the marketing of Australia's wheat are presented to the Parliament the Minister must ensure that all registered wheat growers are given the opportunity to vote on options for change.

This amendment ensures that growers are asked their views. We have had a debate in which all the speakers have spoken about how the growers are the important people in this debate. But in all cases the growers are not going to be consulted. The only effective way to consult the growers in relation to these changes to the veto rights and the wheat marketing arrangements into the future is to put the options by way of letter to the growers so that they can vote on how they feel. That does not bind the government to anything. It gives the minister, the government and the cabinet a clear view of the judgement of the wheat growers on the options that are being presented by way of letter to those growers. The minister said in the parliament about 10 minutes ago that he intends to write to every wheat grower letting them know that there are going to be some changes and that if they feel they would like to voice their views they should do so. I

think there has to be a much better structured system than that.

The other point that I made earlier was that if the minister and the Deputy Prime Minister trust the National Farmers Federation and the Grains Council of Australia on this issue then they run the risk of divorcing the interests of the growers. We have seen what the National Farmers Federation have done in the past in the Telstra debate, where they have gone against the wishes of their constituents. We have seen what the Grains Council of Australia have done in the biofuels debate, where they have actually been more concerned about the cattle producers and the motorists of Australia than the grain growers of Australia. That is a fatal trap if the debate about what growers want is left solely to the representatives in the National Farmers Federation and the Grains Council of Australia.

Some National Party members a moment ago suggested that the way to do this is for the backbenchers to consult with their growers in their various regions and bring those issues back to the parliament. That is great in theory. I say to those backbenchers: look at the political process. Look at how the numbers work in terms of the debate. Look at how many members are actually in the country. And also look at what happened in the Telstra debate, where those very same backbenchers went out and listened, heard and then voted against their constituents. This debate is crucial to the wheat growers of Australia. They must be embraced in the process by way of a poll; they must be given the right to give an indication to the government of which way they would lean. As I said, the government does not have to take that on board, but it would give a clear indication of where the growers are on this. I am very disappointed in the Labor Party's view on this. I think they have taken a very short-sighted view, and I think it indicates to

growers out there that they are not too interested in the outcome either.

If we are really interested in the future of export wheat marketing arrangements, which are going to impact on something like 22,000 wheat growers across Australia, the only way is to develop the arguments. Mr Tuckey had one argument about the Wheat Export Authority taking the veto and determining who would be the various exporters or whether there would be a single desk or whether that desk would have several chairs around it. No doubt there will be other options as well, and so there should be. We should be debating those options. But in the end it should be the growers of Australia who determine the outcome—not the minister, not some debate in a party room somewhere where city majorities and business interests can probably outweigh the grower interests, not the National Farmers Federation or the Grains Council who have divorced themselves from the process. *(Extension of time granted)*

Honourable members interjecting—

Mr WINDSOR—This is a very important debate. The argument I have just put is being supported by the reaction of some of these people who could not care less about the future of wheat growers. Well, I do, and I think the debate needs to be put in a context where those growers can have some say. That is exactly the reaction that growers are going to get if they are not consulted about this process. So I urge the minister and the government to consult with growers by way of a poll. If you are sending them a letter, send them some substance. As I said earlier in the debate, I intend to poll them anyway. If the government will not do it and the Labor Party are not supportive, I will do it, and that will become part of the political process. We have to make sure that the wheat growers of Australia are protected in this process and not carted away in some sort of political

sideshow that could occur if those interests are seen to be in second place.

The SPEAKER—The question is that the amendment moved by the member for New England be agreed to. Is a division required? Ring the bells for four minutes.

A division having been called and the bells having been rung—

The SPEAKER—As there are fewer than five members on the side for the ayes in this division, I declare the question negatived. In accordance with standing order 127, the names of those members who are in the minority will be recorded in the *Votes and Proceedings*. The question now is that the bill be agreed to.

Question agreed to.

Bill agreed to.

Third Reading

Mr McGAURAN (Gippsland—Minister for Agriculture, Fisheries and Forestry) (8.19 pm)—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

ENERGY EFFICIENCY OPPORTUNITIES AMENDMENT BILL 2006

Report from Main Committee

Bill returned from Main Committee without amendment; certified copy of the bill presented.

Ordered that the bill be considered immediately.

Bill agreed to.

Third Reading

Mrs DE-ANNE KELLY (Dawson—Parliamentary Secretary to the Minister for Transport and Regional Services) (8.20 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

ADJOURNMENT

Mrs DE-ANNE KELLY (Dawson—Parliamentary Secretary to the Minister for Transport and Regional Services) (8.20 pm)—I move:

That the House do now adjourn.

Gilmore Electorate Office: Work Experience

Mrs GASH (Gilmore) (8.20 pm)—The House would know that I constantly have work experience people coming through my office in the electorate of Gilmore. I will read into the *Hansard* a letter from a lady who recently was one of those work experience people. She writes:

My name is Rebekah Morrison and I am from a dairy town we call Nowra, on the sparkley Shoalhaven River on the stunning south coast of NSW.

Not long ago I had never set foot inside Parliament House. In fact, I had barely spent much time in Canberra, and, to be honest, I didn't particularly want to. But the cravings increased to see the Floriade, and soon Mum, Dad and I were on our way to Canberra.

Our friends in Womboin described Canberra as a rural town filled with national and international buildings, and it amazed me to see the surreal country plains oh-so-close to the city. I was intrigued. I had to see more. Each step I took, people would suggest things to do—'Have you seen the House of Reps? Have you been to the Senate? Did you know you could contact your local member?' No, I didn't know. So I thought—Why not! So I took the opportunity and ran with it. One-by-one, each step led to the next. And the rest, as 'they' say, is history.

So, less than 2 months later, I have been wowed by having an inside view of our national House, while meeting a number of those who help this place come alive during my 4 days with Ms Gash and her team at the start of November. Folk have gone out of their way to make me feel welcome and for that I am grateful!

Before coming to you I had not much knowledge of Parliament—but each experience here has helped to open my eyes. Sometimes I got up early with the media and took notes just for fun, was shown around Channel 10 with producer Fenn Kemp, then, some ABC crew welcomed us in! Ate scones with Whip's staff and had talks worth a mint, was lost on many an occasion but was escorted to destinations or at least pointed the way.

Thanks to the Security for continual smiles and for standing up for me when I was almost thrown out when I was there til quite late. To the police riding bikes, and the friendly drivers I passed, to Leanne and Luke in the library upstairs—WOW. There is packs of information stored in your brains!! (Thanks for sharing a piece if it!)

To Steve from Kim Beazley's office for showing me around, and to Tai and co in Mr Howard's office. Thanks for allowing me to go and see him! To Mr John Anderson, Bruce Baird and Ms Gash, thank you so much for taking me along with you to Prayer Meeting that night! It was totally unexpected and I wished I took the opportunity to see Mr Anderson again on his recent trip to Condobolin. I was there in the same town but overwhelmed by the heat! But, despite the cracks in the ground all calling for rain, I was amazed at how beautiful it was!

Big thankyou also to the countless others who stopped, talked and opened my eyes even more to the incredible job that you people do each representing your part of the world!

And to Jo Gash, Kay, Wally and Sam for your endless support and for letting me have, in my words, 'free run of the house' and for believing I was up to the challenge, and for all your time spent with me and for arranging for me to meet the PM—WOW. I have just had a most incredible experience and I'm so glad it was with you.

People everywhere so generously gave of their time—from scones and talks and tourism insights. I cannot say I know enough to talk about many issues, but one thing I know to be true—I love our country, and over the week I had with you I have met an incredible family of people, who are all working together to help our country Australia to be a welcoming, functioning 'home' for people to come from all over the world and be

a part of. You have an incredibly hard job. And I admire you. Keep up the awesome work. Wherever I am, I'll be barracking. Your shoes are hard to fill. And I'm proud.

Ovarian Cancer Research

Mr FARMER (Macarthur—Parliamentary Secretary to the Minister for Education, Science and Training) (8.24 pm)—I rise in the House this evening to acknowledge and honour those learned men and women who are our medical researchers, especially those at the Millennium Foundation in Western Sydney. They spend their working careers trying to decipher the human body and how it works, often without recognition of their determination, their vision or their hard work. These researchers are often spurred on by the dream of making a difference to humanity and of finding cures for debilitating diseases. Medical researchers are often encouraged and supported by the community and by the fundraising efforts of those volunteers that support them from time to time.

In Australia there are some extraordinary researchers who are trying to develop an early detection system for ovarian cancer, a cancer that affects many Australian women. They are doing this because more than 800 women a year, every year, in Australia die of ovarian cancer—some of them as young as nine years old. The reason so many people are dying of ovarian cancer is because at this stage we do not have an early detection system in place. Compared to breast cancer and even prostate cancer research, ovarian cancer research is about 10 years behind. So it is so important that we come up with an early detection system as soon as we possibly can.

In 1998, I set a new vertical record running up and down Sydney Centrepoint Tower. I ran 101,939 stairs in 24 hours. I did this to raise funds for the autism association. On 14 December this year, I will run up and

down Sydney Centrepoint Tower again—that is only seven days away from this point in time—and I will attempt to break my own world record. I will be joined by my super fit colleague the Hon. Tony Abbott, Minister for Health and Ageing and the member for Warringah. Together we will attempt to get each step sponsored in our goal to raise \$1 million for ovarian cancer research. By getting each step sponsored, the minister for health and I hope to assist the Australian medical researchers to find an early detection system for ovarian cancer.

I am doing this run because I feel passionately that no Australian family should have to suffer the loss of a wife, a mother, a daughter or a sister to ovarian cancer. We have the talent in this country to lead the way in medical research and to find an early detection system. I urge all members of the House and all Australians to please get behind the Hon. Tony Abbott and me as we venture not only to set a new world record but, more importantly, to raise significant funds for ovarian cancer research on 14 and 15 December this year.

I would like to acknowledge the support that I have received from my colleagues and from members of the staff here in the House on both sides of parliament. People have come together. They are supporting this run. They are getting behind this medical research because they know that this crosses all boundaries, that this cancer is like so many cancers that people are afflicted with: it knows no boundaries, no ties and it affects everybody—the families of the people that suffer from this debilitating disease as well as the people themselves. I would like to sincerely thank each and every person that has already supported me in this plight and I would like to encourage every Australian that looks upon this journey in my life as a journey in their own life to make a difference to all Australians.

Tasmanian Freight Equalisation Scheme

Mr BAKER (Braddon) (8.30 pm)—I rise tonight to remind the parliament of the importance of the Tasmanian freight equalisation scheme for Tasmania's continued development and ability to lock in the future economic prosperity of the state. As many of you would be aware, the Productivity Commission is presently undertaking an inquiry into the Tasmanian freight equalisation scheme, with its final report due to be handed down in two weeks time. Following strong representations from Tasmania's Liberal parliamentarians, it was wonderful that the Prime Minister recently announced that the scheme will stay, which is great news for Tasmania.

The freight equalisation scheme is vital to the future economic wellbeing of Tasmania. Major businesses rely heavily on this scheme to be able to compete on the national stage. Without this scheme, many businesses would not be viable as they would face unfair additional transport costs across Bass Strait. In light of the determination of Tasmania's Liberal parliamentarians to ensure the long-term future of the scheme, we have formed the federal Liberal freight equalisation committee which is chaired by Senator Richard Colbeck and includes me, the federal member for Bass Michael Ferguson, and the President of the Senate Senator the Hon. Paul Calvert.

Our committee will consider the Productivity Commission's final report and will be conducting a series of hearings around Tasmania in the north-west, north and south with businesses and organisations reliant upon the scheme. The objective of the committee is to develop policy recommendations to be presented to the Prime Minister to not only ensure the long-term future of the Tasmanian freight equalisation scheme but also appropriately improve the scheme to effectively meet current day requirements. I am

pleased to inform the parliament that our first hearing begins next Monday, 11 December and there is strong interest from Tasmanian businesses and organisations who wish to have input into the process.

Wonderful things happen in the state of Tasmania. Tasmania has such industries as Caterpillar Elphinstone, which will soon be the No. 1 assemblers of underground mining equipment in the world, and Delta Hydraulics, which prepare the pistons in hydraulics for all major mining companies in Australia. We have some of the best seafood and agriculture. On the north-west coast alone, 80 per cent of Australia's packaged and frozen vegetables are processed. The timber industry provides select and unique timbers to the rest of the country. It is so imperative that this scheme remains in place to protect those industries and the economic wellbeing of Tasmania.

It is important to remember that Liberal governments have a strong and proud record of supporting this scheme and supporting Tasmania's cost disadvantage as an island state. The Liberal federal government was responsible for the implementation of the first Tasmanian freight equalisation scheme in 1976 and then significantly enhancing the scheme following a review in 1998. The Tasmanian Liberal team remain committed to retaining that support into the future and perhaps the only present unknown is whether the new Labor leadership will also provide an ironclad guarantee for the scheme. This is a matter that will be closely scrutinised given the risk that it could pose to Tasmania's future economic prosperity and future development. As Christmas draws near, I would like to close by reiterating how proud I am to be a member of the Howard government, which continues to deliver economic prosperity to all Australians. I wish everyone a happy and merry Christmas.

Question agreed to.

**House adjourned at 8.33 pm until
Tuesday, 6 February 2007 at 2 pm, in
accordance with the resolution agreed to
this day**

Thursday, 7 December 2006

The **DEPUTY SPEAKER (Hon. IR Causley)** took the chair at 9.30 am.

STATEMENTS BY MEMBERS

Immigration

Mr GEORGANAS (Hindmarsh) (9.30 am)—Earlier this year I asked the Minister for Immigration and Multicultural Affairs for an explanation about how 26 Australian citizens could be detained as illegal immigrants. I want to emphasise that Australian citizens were detained as illegal immigrants. How this came about we have no idea. The Minister for Immigration and Multicultural Affairs and the Attorney-General informed me in May that 26 of the 220 DIMA detention cases described as ‘released not unlawful’ concerned Australian citizens. There was no any indication as to where these citizens were detained or released, nor any explanation as to how they came to be detained. I added some follow-on questions to my original question to the ministers, and those related to the different circumstances of all those Australian citizens who were detained unlawfully. The only answer I got back was that it had been referred back to the Ombudsman and that a report would be coming soon.

Two days ago, a number of reports were tabled in the parliament by the minister for immigration regarding the Commonwealth Ombudsman’s reports on individual detainees’ cases. Yesterday there were three reports released: the report about Mr G, which concerns the detention of an Australian resident; the report on nine mental health and incapacitation cases; and, the most shocking report of all, the report of 10 children in detention, of whom eight were either Australian citizens or holders of visas entitling them to reside freely within the community. These were children. We are not talking about adults who were here so-called ‘illegally’. These children had every right to have the same freedoms that my children have been lucky to grow up with. It is abhorrent that, in this nation today, in 2006, we are detaining children that have no right to be in detention.

It is worth noting the circumstances under which the Ombudsman makes reports pertaining to a group or class of people or complaints. In the preface to the report about children in detention, it is observed:

A report can be prepared if the Ombudsman is of the opinion that the administrative action under investigation was unlawful, unreasonable, unjust, oppressive, improperly discriminatory, or otherwise wrong or unsupported by the facts ...

Certainly the detention of those children was unlawful, unreasonable, unjust and oppressive. The children in detention report focuses on 10 children who were detained within the period of 2002 to 2005 for up to 282 days. Nine of the 10 children were imprisoned within an immigration detention facility. The Ombudsman writes that, since these events occurred, DIMA’s approach toward the incarceration of children has changed. Now we are led to believe that children will be detained only in an immigration detention facility like Baxter or Port Hedland as a last resort. It is a disgrace. (*Time expired*)

Centrelink

Mrs MAY (McPherson) (9.33 am)—There is often a lot of misinformation in our communities about the role of Centrelink and where those Centrelink offices should be located. The location of Centrelink offices is based on the overall customer base and the current and pro-

jected demography of a local area. However, there are some people in my Palm Beach community who believe that our Centrelink office should be moved, as they believe the office attracts 'undesirable people'. I refute that claim and I would like to put on the record today a short profile about the Palm Beach Centrelink office and the very significant role the office plays with regard to the economic benefits to our area and the very large number of services that are delivered to local residents.

Centrelink has a staff of 87 which is going to be increased to 95 or 96 next week. The annual wages coming into that office are around \$6 million a year. Those staff use all our local services. But first some statistics about whom we look after through Centrelink there: 13,866 age pension customers and 18,700 family payment customers. Newstart and youth allowance customer numbers, at October 2006, have dropped to 1,794. That, of course, is in line with the low unemployment figures in the country, and it is certainly happening on the southern Gold Coast as well. I put on the record this morning that 21.6 per cent of Newstart and youth allowance customers have some employment, with over half of them earning close to a full-time wage. So they are productive members of our community. They do need some assistance through Centrelink, they are getting a top-up; but certainly they are contributing to our community.

The Centrelink office and staff at Palm Beach also provide services under one roof for 10 federal policy departments and have agreements in place for other services they deliver with a range of state organisations. They also provide specialist support and assistance to the local community through financial information services, social work services and support for families in crisis. Indigenous service officers work from this office. Multicultural services are offered. Community contact officers are there. The Centrelink office and staff have also been involved in providing assistance and services to those people caught up in the Bali bombings, the London bombing, Cyclone Larry, Cyclone Monica, the Katherine floods and, indeed, the floods on the Gold Coast.

So I would say to my Palm Beach residents: before we start firing shots or asking that this Centrelink office be moved, we need to sit back, take a cold shower and have a look at the services that are provided through that Centrelink office. If that office is moved on those services will be sorely missed by the aged in our community and our families.

Shortland Electorate: Volunteer Awards

Ms HALL (Shortland) (9.36 am)—On 25 November this year I recognised the service of volunteers to the Shortland community. There were a number of people who received awards. In the north of the electorate the people given awards were: Marie Adams for her service to Belmont Red Cross; Nance Adams OAM for her service to the Guides Association, Royal Life Saving Society, Red Cross, Assists Life Without Barriers, Lifeline counselling and a myriad other organisations; Jim Anning for his work with the Belmont Thursday Club; Jack (Hilton) Ballard for his work with the Galgabba Landcare group; Jim Bourne for the MUA veterans; Eric Boyd, Musical Director of the Nords Wharf School band, Caves Beach; Jim Bridge, Belmont Thursday Club; Narelle Bromhead, Partners of Vets; Robert Cater for the Tax Help program; Stuart Chalmers, SADI and Caves Beach Surf Life Saving Club; Shirley Chapman, Swansea Combined Pensioners; Mark Chick, Cory Fletcher and Bob Hall for setting up a rubber ducky and saving a fisherman's life at Catherine Hill Bay; Jeanette Coulson, Lake Macquarie Retirement Village; Paul Daly, Thursday Club; Donald Fewins, YMCA, Red Cross,

Belmont Apex Club and Newcastle West Rotary Club; Jim Folwell, SADI; Kelvin Gillespie, Swansea Primary School; John Goverd, Thursday Club; Marie Grainger for work in relation to breast cancer; Neil Grieves, Swansea Coast Guard; Joe Hayes, Pelican RSL; Molly Haynes for her service to the Redhead community and art; Jan and Colonel Jim Hodgson for their work in the veteran community; Robert Hopkins, Newcastle Combined Pensioners Regional Council; Trevor Kelly for Men's Shed, Meals on Wheels, basketball and sailing; Josephine King, East Lakes Dementia; Marion McAndrew OAM for dedication to palliative care services; Sharon McCarthy, Galgabba Landcare; Kevin McFadden, Thursday Club and Prostate Club; Des McMeekin, Thursday Club; Lesley Minner, Partners of Veterans; Ken Mitchell, Galgabba Point Landcare; Alan Moore for a number of activities; and Allan Nadin and Jean Vincent for their various contributions.

In the south of the electorate the people recognised were: Graham Bissaker of the Merchant Mariners Association and Tuggerah Lakes Coast Guard; Marvin Campbell for his contribution to the Lake Munmorah Progress Association; Con Gall, Merchant Mariners Association; Blanch Hughes, Toukley Senior Citizens; Neville Latta, Gwandalan Lions Club; Carol Leist for her work at the Lake Munmorah Preschool; Ken and Ruth Martyr for their work for the Lake Munmorah community; and John McCutcheon, Vice-President of the Toukley RSL and Merchant Mariners.

The DEPUTY SPEAKER (Hon. IR Causley)—Order! The honourable member's time has expired.

Ms HALL—Is it possible to have the remaining names—

The DEPUTY SPEAKER—It is a bit late now, I am sorry, your time has expired.

Investing in Our Schools Program

Mr VASTA (Bonner) (9.39 am)—In the past year, I have had the great pleasure of, once again, working closely with many schools and their P&Cs in Bonner. I have come to meet a variety of hardworking teachers, parents and community members who are dedicated to offering our children and young adults the best possible education and learning environment. I am proud to be part of a government that supports the local effort towards this goal.

Through the Investing in Our Schools program, I have been able to announce funding for 33 schools in Bonner in the past year alone, and this funding has totalled over \$3 million. It is this support that has helped local schools to undertake projects and upgrades that they could not otherwise have achieved on their own. The Investing in Our Schools program focuses on projects that are specific to the special needs of each school community and, as a result, it often helps to bring long-awaited projects to life.

Just recently I visited Mount Petrie State School in Mackenzie to officially open their new library, which underwent a complete refurbishment thanks to a grant of \$120,969 under round 2 of the Investing in Our Schools program. When I first visited the school in early 2005, Principal Michael Cini pleaded with me to find a way to fix the students' makeshift library, and I am delighted to say that we finally did. Students now have access to a brightly coloured and well-resourced library which not only inspires reading but also has created a new and fresh environment in which the children can actually enjoy learning. Having worked tirelessly with the P&C association for years to try to raise funds for the refurbishment project, the school librarian, Karen Murphy, describes the new library as 'a dream come true'. Outcomes such as

this are delivered through the Investing in Our Schools program. It is a rewarding experience to see the positive change that can be brought to a school environment.

Last week I announced funding for 21 state schools under round 3 of the program, and I congratulate each of those school communities on their hard work and their successful applications that followed. As a result of this funding, Belmont State School will construct new walkways for students, Carina State School will build much-needed assembly areas, Manly State School will install new playground equipment for students, Marshall Road State School will finally be able to install air conditioning in their hottest classrooms for summer, and Wynnum West State School will upgrade their ICT and computer equipment. They are but a few of the examples of the many worthwhile projects that can now be made possible. They will be delivering practical benefits to students and staff.

There is nothing more important than a child's education, and it is important to have the best possible facilities for their support. I am committed to helping the school communities in Bonner and I will continue to promote the Investing in Our Schools program. (*Time expired*)

Child Support Agency

Mr BYRNE (Holt) (9.42 am)—I rise today to raise an issue of child support and the conduct of the Child Support Agency on behalf of a constituent of mine whom I will call Mr B. He has asked me to use that sobriquet and to discuss the difficulties that he has had with the Child Support Agency.

In 1999 Mr B's wife left him and took his two young sons. His 18-year-old daughter remained and Mr B's wife took everything from the house. What he found, much to his displeasure, was that his wife's payments, which were then calculated by the Child Support Agency, were calculated one week before she left the home because the CSA thought she needed the money. Mr B believes that the CSA incorrectly calculated the payments, and Mr B spent many months getting this matter rectified.

In February 2003 Mr B attended a change of assessment conference. Mr B agreed to pay an increase in payments to his ex-wife under various terms and conditions. But, when the report came in, the amount requested was considerably higher than that which he thought they had agreed to in the actual conference. I will quote from a letter that he wrote to the Child Support Agency on 13 June 2003 about this matter. His letter reads:

First of all I point out that at the 3rd Feb conference I explained that my previous tax return had not been completed. However this was not discussed any further as I agreed to an increase in the CSA payments. This amount was recommended by the case officer and was based on an amount higher than my expected taxable income.

In my letter ... you claim that I was given the opportunity at the conference to provide detailed information in regards to my income. This information was available but was not asked for by the CSA officer at the conference.

He was not able to appeal that decision, and I have extensive file notes about the conversations he had with the relevant case officers and the relevant review officers with respect to this matter. I say quite frankly to this chamber that I think he was treated very poorly. In fact, he was only given an opportunity for another assessment in December 2003, 10 months after the original conference. Again, the assessment officer, in Mr B's view, did not give him a fair hearing. They made a report about this matter, which was later criticised by the Ombudsman,

but there was no further action taken against this officer or any recompense for Mr B. He has had further difficulties with them.

I do not believe this person, from my review of the file notes, has been treated well by the Child Support Agency, and I do believe there needs to be an appropriate appeals mechanism whereby, if there is any unfairness in the calculation of child support, it can be rectified, rather than my having to resort to standing up in parliament and pleading his case. (*Time expired*).

Rotary Club

Mrs BRONWYN BISHOP (Mackellar) (9.45 am)—In partnership with the Rotary Club of Dili, the Rotary Club of Warringah, which operates in my electorate, has raised \$260,000 for long-lasting insecticide treated mosquito bed nets for our troubled neighbour, Timor, in its fight against malaria. These funds have been raised with the assistance of District 9680 plus Rotary Against Malaria, 27 Rotary clubs in Australia and one in Canada. In addition, 42 individuals, other service clubs and corporations have donated funds.

Through the Rotary International Humanitarian Grants Program, matching grants enlarged the coffers significantly. The target of 20,000 bed nets was exceeded and the funds raised will purchase over 30,000—enough to fill three shipping containers. Some 60,000 displaced people are in refugee camps, many with no homes to go back to. As the risk of malaria, dengue fever and other diseases is extreme for people living in makeshift accommodation, and with the wet season about to start, the delivery of our bed nets will be very timely. With the cooperation of the members of the Rotary Club of Dili and the government of Timor-Leste Department of Health, the distribution will be in good hands. Due to the unrest in Dili, the need for more nets is paramount. The members of Rotary are ever mindful of this and hope to continue the program.

These magnificent facts have been brought to my attention by a constituent of mine who is a member of Warringah Rotary, Mr Clive Mellor. I would like to acknowledge his commitment to Rotary and to this project.

Workplace Relations

Mr HAYES (Werriwa) (9.47 am)—Yesterday we heard the Minister for the Environment and Heritage, Senator Ian Campbell, give voice to something that I think everyone in this place knows—that this government's industrial relations laws, Work Choices, are politically unpopular. Labor members certainly know that. I, along with other members of Labor's Industrial Relations Taskforce, chaired by my colleague the member for Gorton, have heard from people in more than 20 electorates, in every state and territory. In my own electorate I have heard of many cases, such as that of Reinaldo Martinez, Errol Ogle, Reynaldo Cortez, the employees of Esselte and, more recently, the employees of Lipa Pharmaceuticals. They have all visited my office to complain about this government's harsh industrial relations laws, what they have done to them and, moreover, what they have done to their families. Members of the government, if they are halfway honest, would have to admit that they have heard the same things in their own electorates.

Mr Keenan—No, that's not true.

Mr HAYES—The member for Stirling probably does not listen to people in his electorate; that is all. A number of government members are quite anxious every time the Industrial Relations Taskforce visits their electorates, and they are anxious for a very good reason. Not only

do they get to hear the dulcet tones of the member for Gorton on the airwaves after we visit, but they also actually get to hear from people who come out of the woodwork from all over the place and who have been impacted by Work Choices. They hear from the clergy, they hear from pensioner groups, they hear from people worried about child care, they hear from mums and dads. They hear from real people. That is the experience we have had time and time again in every electorate that we have visited. And there is no point saying that it does not happen, because we have visited just about every one of those electorates and we know the stories that are out there, we know the frustrations people have and, quite frankly, we know that they are not getting much attention from this government.

The Minister for Human Services, in the MPI discussion last Tuesday, made some very interesting points. He said fairness starts with the opportunity for an individual to get a job. I do not disagree with that. But I do remind people, and the minister in particular, that fairness stops when individuals are forced to take a job at any price on any account. That is the difference. That is where we draw the line in the sand. There has to be fairness in the way people regulate their working lives. There has to be fairness in how they can accommodate family life. What Work Choices has done has made the decision making all one way. There is no choice; everyone knows that. This is all about the opportunity of an employer to be able to dictate terms and conditions and say: 'Do you want the job? If you do, sign the contract.' That is what people have been invited to do and that is why these extreme industrial relations laws will continue to be completely unpopular for this government. (*Time expired*)

Osborne Park RSL

Mr KEENAN (Stirling) (9.50 am)—I rise to thank the hardworking members of my local RSL subbranch in Osborne Park for their commitment in keeping the proud RSL spirit alive and for their work with our young people. The Osborne Park RSL subbranch would have to be one of the oldest in my home state of Western Australia, with a charter that dates back to 14 April 1919. Its members still proudly own the same hall that was built in that first year and they continue to join together every month to enjoy camaraderie over an Aussie barbecue.

Often around 70 members will turn up on the day of these meetings, out of a total membership of 159, which more than tells the story of what a wonderful job the committee is doing in running the subbranch. Its relatively newly elected president, Ken Usher, treasurer Steven Ibbotson, welfare officer Greg Young and membership officer, Dennis Potter are all Vietnam veterans and they are all making a fantastic contribution. Its secretary, Ted O'Sullivan, who is a World War II veteran, is a well-known and respected member of the community who is always working hard in the true spirit of the RSL. He is also a regular and always welcome visitor to my office.

This leads me to proudly put my support behind the Osborne Park RSL subbranch's latest community project, aimed at engaging local schoolchildren. The project is designed to help local primary school students appreciate the history of important events such as Anzac Day as well as the history of the RSL itself and of the Osborne Park subbranch. Members plan to invite schoolchildren from both Osborne Park and St Kieran's primary schools to have lunch with them once each month from February to May next year so the students can chat with the ex-service men and women. This will be especially important in the lead-up to and on Anzac Day as it is just so important that our young people not only get involved but understand the sacrifice that was made by so many Australians in the defence of freedom.

Hearing these stories from the members will no doubt be a rewarding and educational experience for our next generation of young Australians. Members will also be firing up the barbecue as normal; however, extra emphasis will be placed on providing the youngsters with a healthy meal. Principals from both schools, Red Berson from St Kieran's and Greg Tompsett from Osborne Park, are also very supportive of this project. I know that both schools are always working hard to promote health attitudes, both in and out of the classroom, and they have had much success in doing so.

The Osborne Park RSL subbranch is celebrating its 87th anniversary this year and once again I would like to congratulate its members for doing a wonderful job within my local area. I would suggest that RSL subbranches around the country take a look at this great project and perhaps endeavour themselves to work as closely with our young Australians as my subbranch in Osborne Park is.

Australian Citizenship

Mr BRENDAN O'CONNOR (Gorton) (9.53 am)—I want to bring to the attention of the House the failure of the government to fulfil its promise to enact the Australian Citizenship Bill. The bill is a very important piece of legislation for many Australians but in particular for Maltese Australians, who have been waiting now for three years since there was an undertaking by this government to fix what has been an anomaly in the law that does not allow people who were born here and who were forced to relinquish their citizenship to have their citizenship restored.

This anomaly was first brought to my attention when Steve and Lilian Schembry approached my office in December 2003, almost three years ago, seeking help. Steve was born in Melbourne in 1966 to Maltese immigrant parents. He was brought up in St Albans and spent his first 18 years there. He went to school at St Albans tech and he barracks for the Western Bulldogs. In 1984, when he was 18, his parents decided to move back to Malta. At about the same time, his future wife, Lilian, who had been born and brought up in Australia, also moved back to Malta with her parents. Maltese law, prior to 2000, required young people of Maltese descent to renounce their Australian citizenship between their 18th and 19th birthdays in order to retain their Maltese citizenship. Those failing to do so became ineligible for tertiary education and were unable to hold certain jobs, access social security and the like. That was bad law in Malta at the time.

I am glad to say that Maltese law has been repealed. But we have had a series of ministers of this government give undertakings to the Maltese community that this matter would be resolved. Steve and Lilian and their children, and others like them, are waiting to see whether this law will be enacted so that they can resume a normal life. In the case of Steve, he was only able to find employment after the government intervened. However, only recently he was retrenched from that work and he is now looking for work. I spoke to both him and Lilian last week. They are at their wits end, wondering whether the government's commitments are genuine. They are trying to understand why a bill that has been agreed to by the opposition cannot pass this House prior to Christmas and why they now have to wait at least a number of months before realising their full citizenship of this country. I think it is an absolute disgrace. It shows that the government is out of touch and not concerning itself with Maltese Australians and others who will be adversely affected until this bill's enactment.

Electorate of Gilmore: Youth Leadership Forum

Mrs GASH (Gilmore) (9.56 am)—The students, teachers and community volunteers of Gilmore have again proven they are second to none. Recently, we helped facilitate the second annual Gilmore youth leadership forum. About 100 year 11 students from nine high schools and group leaders made up of teachers from public and private schools and community volunteers took part in a 2½-day event at the Waterslea conference centre in West Cambewarra. The event again exposed the students and leaders to inspirational keynote speakers. They were: Beaconsfield mine disaster explosives expert Darren Flanagan, AFP officer Sherri McMahon, a youth leader from Ulladulla, Mark Ettridge, SBS correspondent Bronwyn Adcock and Salvation Army icon Don Woodland.

The students and leaders also took part in leadership building workshops and activities. The major workshop was again carried out by Anthony Bonnici of Move Mountains. Anthony's workshop was inspirational and a distinct highlight of the entire program. The students and leaders also carried out a *Backyard Blitz* type activity at the Bomaderry community centre. The Gilmore youth leadership forum participants, with the valuable assistance of the Shoalhaven City Council, Shoalhaven City Council park officer Glenn Elliot and Gilmore youth leadership forum project coordinator Steve Jones, did a fantastic job in re-landscaping the entire centre. It was inspirational to again see everyone voluntarily bending their backs and putting in for the good of the local community.

Last year, the Gilmore youth leadership forum participants did a fantastic job in making over the South Nowra Rotary park on the Princes Highway, and this year's effort equalled that of 2005. As we all know, there is something extremely satisfying about getting your hands dirty and doing some really hard yakka. The youth forum students can well appreciate that feeling now. However, none of this would have been possible without the incredible support of our region's public and private schools and some incredible sponsors. I seek leave to incorporate the list of sponsors, in no particular order.

Leave granted.

The list reads as follows:

Shoalhaven City Council, Bomaderry Bowling Club, BAE Systems, Premier Motor Service, Shoalhaven Area Consultative Committee, Manildra Group, Pan Macmillan, Telstra CountryWide, Shoalhaven Ex-Servicemen's Club, EADS, Serco Sodexho, Campbell Page, Australian paper, Soilco, ActewAGL, University of Wollongong-Shoalhaven Campus, Partech Systems, Shoalhaven Water, A & D Tree Services, Shoal Bus, Coates Hire, Pel-Air, Langmore & Associates, Klimpton Press and the South Coast Register.

With permission, I would like to list the sponsors in the speech. Our heartfelt gratitude also goes to the team at Waterslea conference centre, led admirably and professionally by Jeff Mann. The forum also relies heavily on volunteers. We called on schools and community leaders for volunteers to take on the role of small group leaders. This year we had 21 group leaders, roughly a fifty-fifty split of teachers and people from the general community. Each and every one of them was outstanding, and I would like to go so far as to name them and thank them personally. I seek leave to incorporate the list, in no particular order.

Leave granted.

The list reads as follows:

Catherine Winnem, Stacy Lay, Emma Pearce, Steve Campbell, Penny Costello, Rod Williams, Marissa Newman, John-Paul Bober, Lauren Ray, Andrew Brown, Hayley Dean, George Spero, Jade ten Kate, Ros Hackett, Sam Luxford, Cassie Pearce, Sean Newman, Winston Wardle, Donna-Marie Clarke, Craig Weller and our man for all things first aid—Martin Gaffey.

Mrs GASH—My deep thanks go to Andrew Guile from the Nowra Anglican College. This was the second year that Andrew has acted as project coordinator for the forum, and again he excelled and led by example. I also thank my media and policy staffer, Sean Burns, who was also doing his second year. He put together the whole program. How lucky am I to have two young men like that working for me? Finally, and most importantly, I thank all the year 11 students who took part in this year's event and their families. Without the students' willingness to take on the challenges of the Gilmore youth leadership forum and their preparedness to move outside their comfort zone, the event would not have been such a success. We look forward to facilitating next year's event and encouraging leadership for life. I also recognise the input of Alan Cadman, the member for Mitchell, for introducing me to the program and for his never-ending support.

Shortland Electorate: Volunteer Awards

Ms HALL (Shortland) (9.59 am)—Earlier, I noted the recipients of awards for the service of volunteers in the Shortland community. I seek leave to have the names and the activities of the remaining recipients incorporated into *Hansard*.

Leave granted.

The document read as follows—

Therese Parkinson, Swansea

Swansea Pensioners

Don Patterson, Redhead

Redhead War Memorial

Bert Reay, Charlestown

Sailability

Zoe Russell, Swansea

Galgabba Landcare

Phillip Smith, Whitebridge

Phillip gives much of his time and energy to work as a volunteer with Advocates for Survivors of Child Abuse. He is co-Chair for the Hunter Committee, runs two support groups, mans the 1300 support and information phone line, does secretarial work for the organisation, fundraises, contributes to the newsletter and is a speaker for this organisation.

Robert Suttie, Floraville

Swansea Coast Guard

Raymond Swandling, Charlestown

Charlestown Public School council member- refurbished school bell, built 4 honour boards for the school and a parent notice display case.

Jean Thirkettle, Belmont North

Convenor of a program for retired people or those with few hobbies. Jean has also provided a great service in coordinating the "Have a go line dancers" group that performs around retirement villages throughout the community. Jean is also dedicated to her service for meals on wheels.

Charles Turner, Swansea Heads

Work with Vets.

Swansea RSL Welfare Officer

Adrian Vaughan, Jewells

Thursday club

Jean Vincent

Literacy tutoring

Eric Moffitt, Lake Munmorah

RSL & RAN Corvette Ass.

Eric is a Veteran of World War Two, serving in the Royal Australian Navy. Eric voluntarily works serving veterans and war widows throughout the Central Coast as well as the community.

Eric's community work involves:

- his dedicated role as Secretary of the Pensioners and Welfare Officer for Narrandera RSL
- his commitment as Pensions and Welfare Officer for the Central Coast and Swansea for the R.A.N. Corvette Association.
- his role as Welfare Officer for the Doyalson- Wye RSL, which included conducting RSL funeral services at Palmdale.
- his voluntary services to the Veterans' Volunteer Health Force, visiting
- and caring for veterans and war widows at Wyong hospital.
- his involvement with the Central Coast Pensions and Welfare Officers
- Network
- his dedication as welfare officer for the Lake Munmorah Probus Club
- his role as Director of Ceremonies for Lodge Westake Daylight and a Life Governor for the Frank Widdon Masonic Homes NSW.

Kath Maxwell OAM, Toukley

Merchant Mariners

Legacy, National Servicemen's Association, Toast Masters

Ken Maxwell OAM, Toukley

Merchant Mariners, RSL, Toukley Pipes & Drums

Harry Moore OAM, Toukley

Merchant Mariners, Community of Wyong & Shire Council and Central Coast Community

Peter Moore OAM, Toukley

Merchant Mariners, RSL

Joe Parker, Noraville

Contribution to Central Coast Handicapped Group

Catholic Church •

ENERGY EFFICIENCY OPPORTUNITIES AMENDMENT BILL 2006**Second Reading**

Debate resumed from 29 November, on motion by **Mr Macfarlane**:

That this bill be now read a second time.

Mr MARTIN FERGUSON (Batman) (10.00 am)—I rise this morning to speak on the Energy Efficiency Opportunities Amendment Bill 2006 and, in doing so, I indicate on behalf of the opposition that we support the bill. I say that because the purpose of this bill is to amend the Energy Efficiency Opportunities Act, which appears to have a number of ambiguities that make it unworkable in its present form. It is therefore appropriate that in a bipartisan way we seek to remedy these deficiencies to guarantee its capacity to be implemented in an appropriate way in industry.

The bill has a number of objectives. Firstly, we want to ensure that, as was originally intended, the year in which energy use triggers the obligation to apply the register is properly defined. Secondly, participants in the program will be required to submit their assessment plans within 18 months of the day after the end of the trigger year. Thirdly, assessment plans will be required to cover the five-year period starting on the day after the end of the trigger year, and subsequent plans must start on the day after the end of the previous plan. Fourthly, the requirements for assessment plans will be consistent throughout the act. Fifthly, and finally, the secretary's powers can be delegated as necessary for efficient administration.

Obviously, as we all appreciate, this bill is about tidying up some administrative problems with the original act, but I also believe we should address some other problems concerning energy efficiency in Australia. I say that because the bill will not address the urgent need for greater energy efficiency across all sectors of the economy, including our homes and the important transport sector, not just business. For that reason at the end of my contribution on behalf of the opposition, I will move a second reading amendment bringing to the attention of the House some of the serious policy matters which we believe need consideration in going forward on the energy efficiency front in Australia. We very frankly believe there is an urgent need for us as a nation to address greater efficiency in our transport fuel use. This means a national focus on the long-term neglect of the policy area of public transport.

For far too long the Commonwealth has not been willing to work in tandem with state and territory governments to do something about improving public transport, especially in our major capital cities. If we were to make some progress on that front, it would lead to huge improvements in energy efficiency and would also have a dramatic impact on reducing emissions in Australia as part of our international global requirements. That is important because, when you think about it, we have become a nation that drives 500 metres to the local shop instead of walking. We have cities that are uncomfortably congested, that waste fuel and time, which is a cost to business, and that are a source of stress to people trying to carry out their daily lives with reasonable ease. Just think about those issues in the context of not only the cost of running business but also the stress on ordinary people seeking to handle issues of work and home and improving their quality of life in terms of stress management.

It is also about time we fronted up to the fact that we have become a nation that switches on an air conditioner the minute the lounge room seems too hot in summer. One of our biggest problems each summer is peak load energy capacity, which is putting huge demands on infra-

structure, especially in major capital cities, such as Brisbane, Sydney and Melbourne. Around Australia, we are a nation that assumes that our energy supplies are infinite. I simply say that we can no longer take that for granted, nor can we continue to ignore the greenhouse implications of our energy use.

The challenge to Australians is to get smarter about energy consumption in our homes and in our industries, our factories and our buildings. We all appreciate, given the global warming debate at the moment, that these are very serious policy issues that have to be confronted in the energy efficiency quest that are unfortunately not addressed in this bill. In addition, the bill does not take up the challenge of diversifying our energy supplies, which is part of the energy efficiency debate. The government, as we all appreciate, has been muted in its support for alternative fuels and renewable energy technologies, yet these are an important part of our energy solutions. As I pointed out in October last year, the government also missed a great opportunity to take up the bipartisan recommendations of the House of Representatives Standing Committee on Environment and Heritage report *Sustainable cities*, many of which deal with energy efficiency initiatives that could make our cities more liveable and also considerably improve the operation of business. Nevertheless, on behalf of the opposition, I welcome the government's initiatives to address energy efficiency opportunities in the business sector and I look forward to the first public reports arising from this program that will be due by the end of December 2008.

Having that said, can I also say it is about time that we as a nation tried to bring together a consistent approach on this front through cooperation between the states and territories and the Commonwealth government. This is of concern to industry. As we try to further strengthen Commonwealth, state and territory relations, one of the issues we have to think about in the energy efficiency debate is to get a nationally consistent approach, rather than each tier of government seeking to layer onto business additional costs for meeting different requirements at state and federal levels. This is a very serious issue because it also goes to the cost of running businesses. In a tough global market, we have to do whatever we can to relieve industry of the administrative nightmare and additional costs of meeting some of these requirements.

The act took effect on 1 July this year, and companies that used over half a petajoule of energy in 2005-06 have until March next year to register under the program. It is my understanding that, to date, six companies—Alcoa, Hanson Australia, New Hope Mining, Queensland Alumina, Rio Tinto and Leighton Holdings—have registered for the program. If that is incorrect then I request that the minister corrects the record for the purposes of ongoing debate on this issue. This is a long way short of the 250 corporations estimated to have an obligation to register. We would appreciate in the response from the minister some comment on these issues. I say that because this is something the government must pursue with greater vigour if the program is to have any credibility at all, not only domestically but also within the international community with respect to how we as part of the global community make progress on trying to encourage industry to be more efficient. I simply say to industry that efficiency in energy use is also smart in terms of reducing costs because throughout the world, as we now appreciate, the real cold war is about who controls energy. And if you can guarantee efficiency in energy consumption then you can assist in maintaining a competitive position,

especially with the emerging economies of China and India. For that reason, the opposition will be taking a great interest in the register for the program at the end of next March.

I also point out to the House that registered participants will then need to submit a plan to undertake assessments of energy efficiency opportunities, to then carry out those assessments and to report publicly on the outcome of the assessments. That is about public accountability in terms of the endeavour of the Australian parliament to encourage industry to take this issue seriously. For that reason, firms will be free to make decisions on investments identified by their normal business processes. It is about industry actually accepting its responsibility. Obviously the act is targeted at large energy users to address the perceived energy efficiency gap. If anything, it is important to the Australian community, but there is also a secondary objective, which is about encouraging industry to get smarter in how they run their businesses on the energy front.

In Australia both the level of energy efficiency and the rate of improvement since 1973 are, interestingly and worryingly, seriously lower than in other major industrialised countries. Perhaps the low relative price of energy in Australia might explain some of the difference between Australia with its lower rates of energy efficiency improvements and countries with similar energy prices such as Canada and the US. So perhaps one can conclude that because we are so rich in energy at a relatively cheap cost there has not been pressure on the Australian community, both on us as individuals and on business and government, to pay more serious attention to the issue of energy consumption and waste.

We do not want to get to a situation where there is a campaign from the more extreme in the Australian community—for example, some of the Greens or the environmental NGOs—to force up the price of energy to try to ensure that we take energy efficiency seriously. We should do it for the right reasons. We should do it because it is environmentally smart. Households should do it because it is a cost to the running of their own households. Business sector costs could also be considerably reduced.

More generally, I point out to the House that experience in Australia and overseas has shown that there is often a gap between best-practice energy efficiency and actual practice. Across all aspects of life, as private citizens or in industry, the capacity to improve our performance in energy efficiency is there waiting to be grasped by each and every one of us. Whilst some technically feasible energy efficiency improvements will not be economically viable, there is also evidence that firms often do not take up energy efficiency opportunities that are cost effective. This is known as the energy efficiency gap. The decision to introduce a mandatory assessment measure is aimed at addressing this gap and comes in light of the fact that previous government programs have shown that a significant number of cost-efficient energy improvements have been overlooked by the participating firms.

Obviously this bill is about providing a prod—about getting them to take seriously some of the options that are currently available but have been neglected. In that context we should appreciate that business accounts for over 80 per cent of Australia's primary energy consumption. However, a relatively small number of businesses are responsible for the majority of this energy use. ABS data suggests that the 250 largest business energy users account for around 60 per cent of all energy used by business. Given the coverage of well over 50 per cent of the emissions, the up-front compliance cost to business of an average \$49,700 per firm and recurrent annual costs of \$87,600 per firm, this seems reasonable coverage initially. In the longer

term, however, Labor would like to see the program extended to cover a greater proportion of emitters. This, if anything, is a start in encouraging industry to get serious about this energy efficiency challenge.

With that in mind, I point out to the House that, with rapidly rising energy costs and increasing concern about the implications of climate change, coupled with one of the most rapid economic expansions in history, particularly in China and India, it has never been more important for us to conserve our energy resources, to get the most out of them and to move to cleaner energy sources and technologies.

As we go through this debate about global warming and try to factor in the cost of reducing emissions, business has to get smarter about how it reduces its cost through energy efficiency, but we as a community also have to be serious about the potential impact of an increase in cost of energy and water on people who are retired and on people who are in low-income households. It is appropriate that the community does the right thing on the better use of water and the more efficient use of energy. Business has a capacity to bear the costs of some of these tough decisions that we as a nation must make.

We also have to be aware at a state, territory and federal level that these tough decisions can actually impose serious cost imposts on ordinary people, especially low-income people and people who are dependent on the pension and trying to live from week to week. I say that in the context that I believe we have to make some very serious decisions on this front in the foreseeable future. But we also have to, as a community, be caring about those who might find it difficult to bear the cost of some of these serious and tough decisions which we have got to make in our own best interests as a nation and in the best interests of the global community. That is important because total energy consumption for Australia is 3,000 petajoules per annum and is estimated to cost \$40 billion annually.

In that context can I point out that in the foreseeable future, especially on the east coast of Australia, there are some very serious energy generation decisions that have to be made. I simply say to some of those state governments on the east coast that in the next 18 months to two years you have to make these tough energy decisions, including on fossil fuel, otherwise by 2010 or 2015 we are going to have serious energy problems in terms of adequacy of supply and security of supply.

We as a community can no longer avoid these tough decisions, not only on energy consumption but also about guaranteeing our future access to energy at a reasonable price, by running away from the tough decisions on generational capacity. For far too long the Commonwealth and state ministerial councils have failed to solve some of the issues which are barriers to these investment decisions, and I simply say that time is running out. If we do not make these decisions in the foreseeable future then there is a capacity in some of our major capital cities to see the lights go out by 2010 or 2015. I raise these issues because they are seriously related to the debate about energy efficiency. On the east coast it is no longer a question of energy efficiency alone; it is also a fundamental problem of baseload capacity.

In that context, it is made worse by the fact that industrial energy consumption is 40 per cent of the overall cost, giving an energy bill of \$16 billion per year. As we all understand, although many firms now achieve impressive economic returns by using energy more efficiently, numerous studies continue to uncover significant potential. Experience in Australia and overseas has demonstrated that it is possible to save 10 to 15 per cent of this over a

five-year program. That can assist in the next couple of years because of our tardiness in making some of these energy generation decisions in the immediate past years. Making these improvements—that is, a 10 to 15 per cent reduction in energy use over the five-year program—would result in reduced costs of up to \$2 billion annually, would strengthen Australian industry and would make it far more competitive in the tough world markets that we seek to make progress in.

It is very clear that there is an economic imperative as well as an environmental—greenhouse—and resource conservation imperative to get more out of our energy use in industry and business. But it is not just energy efficiency that is important. We have to, as I have said, do more about a reliable and cost-effective energy supply for Australia's industries and consumers. In particular, we have to provide a national energy framework that will deliver—and this is a very serious issue—the \$35 billion of investment in this sector that is needed over the next 10 years, and that goes to generational capacity.

The truth is that we in Australia today have a national energy market in name only. We have gone backwards on the issue of microeconomic reform in more recent years in Australia. It was started by the Hawke and Keating Labor governments, but it is almost as though it has come to a sudden halt, a very serious halt, in the energy market. I say that because I believe that the Prime Minister is doing nothing on this front except conducting a futuristic debate about nuclear power that is nothing but a diversion from the real issues and the decisions that have to be made today.

I acknowledge that a few weeks ago Ziggy Switkowski released the Prime Minister's nuclear energy report—and I must say I think this is a very important contribution to this debate. It is a thorough analysis of energy capacity and opportunities in Australia. For the first time, in an objective and constructive way, it starts to factor in the relative cost of carbon across all energy opportunities. To my mind that is important, because we are going to have this debate. Businesses already are starting to factor into their investment decision the cost of carbon, which can be anything from \$7 to \$10 or \$15 to \$20 per tonne. That is part of the Ziggy Switkowski report. He factors in, given different costs of carbon, at what point nuclear power might actually stack up in Australia economically. So obviously this is part of the debate that we have to have about the energy decisions we make in Australia.

As shown in the Prime Minister's report, and as I have been saying for some time, whilst nuclear power is important beyond Australia in places such as China, India and France, for example, where 75 to 80 per cent of power is already generated from a nuclear capacity, it simply does not stack up in Australia economically on the basis of all the available evidence today. I predicted that. That effectively means that a futuristic debate about whether or not nuclear power becomes viable in Australia is way outside the time frame that requires us to make decisions on the energy generational front at the moment—which goes to immediate decisions about investment in electricity today.

The Switkowski report represents an important contribution to the debate, but it is not going to keep businesses running this summer, nor is it going to deal with the increasing number of air conditioners that Australian consumers desire at this point in time. National emissions trading is about trying to force us to start thinking about some of these investment decisions.

That takes me back to the COAG Energy Market Review, also known as the Parer report, which recommended some four years ago a national emissions trading system. From my fre-

quent discussions with industry, both peak industry councils and individual employers, not only in electricity generation but in industry generally, they now accept that we will have to develop an emissions trading system in Australia. They are simply saying they require the Commonwealth, in association with state and territory governments, to get serious about this debate.

Some months ago, a discussion paper was released by state and territory governments. It was originally going to be a green paper, but because of a lack of support across all state and territory governments it is merely a discussion paper. It sets out a framework to try and pursue some discussion. What is now required is national leadership to try and bring this together. Ordinary people, as a result of the global warming debate that has intensified over recent weeks, are expecting something to be done.

The truth is that industry is crying out for us to sort this out. They want it sorted out because they need certainty so that they can make investment decisions. They expect us to make serious progress as part of the ongoing dialogue about Kyoto. They want us to put in place in Australia a framework by about 2012 to 2015 which would enable us to give certainty to the private sector for the purposes of making these tough investment decisions.

I use this debate to highlight these matters because they are obviously part of the debate about energy efficiency. Energy efficiency is also intimately related to the debate about generational capacity. In that context, I simply say that there is an urgent requirement for us to try and work out, in partnership with industry and state and territory governments, how the Commonwealth can take us forward on the emissions trading front. As I said, investment certainty in the national energy and gas markets hopefully will eventually deliver lower electricity costs than the current variety of well-intentioned but unsuccessful ad hoc state and Commonwealth schemes already in existence. We need a national system that rolls those well-intentioned state and territory measures into a national outcome which is about neutrality across all energy options in the national market.

As I said previously, the impact on the Australian economy from the shift to an economy-wide emissions trading scheme and away from the current approach equates to a benefit of just over \$1.2 billion in five years net present value terms through to 2010. So here we have, from this Parer report and other constructive contributions to the debate, an important statement. Here we are four years later and, in the Energy Reform Implementation Group report by Bill Scales released a couple of weeks ago, we see another important contribution to this debate. He said:

... ERIG has been struck by the significant concerns raised by market participants about market uncertainty in relation to possible future greenhouse gas abatement initiatives.

That statement obviously means that industry wants something done. He then said:

Market participants have indicated to ERIG that greenhouse risk constitutes one of the most important barriers to investment in the energy industry, particularly to new base load coal investments. ERIG notes that most market participants desire a coordinated and sustainable policy approach to greenhouse.

That is a cry from industry for national action, and it can only be achieved by a Commonwealth government working in partnership with the private sector and state and territory governments. As I have said today, the east coast needs to make baseload and peak load decisions on energy generation within the next two years. But, unfortunately, today no-one is prepared to invest because of the Howard government's failure to introduce national emissions trading

that would give investors certainty about carbon pricing in the future. As a result, Australians are paying more for electricity because of the ad hoc measures currently in place at a state and territory level and arbitrary hedging by market participants to offset unknown greenhouse risks in the future.

The simple fact is that the Prime Minister's refusal to adopt national emissions trading is costing Australians money on their power and gas bills today and also making Australian industry less competitive in the tough global community that they have to operate in. I also believe that his failure to push ahead with some of the reforms necessary to deliver a truly national energy market, including both gas and electricity, is not good for Australia. In my own mind, I think the Prime Minister believes that he can get off the political hook with international debates about global emissions trading and nuclear power. That is only part of the jigsaw. We have to get serious about what we also do at home.

So I simply say on behalf of the opposition that our government at a national level at the moment needs to get on with the serious job of implementing a national emissions trading scheme and to allow the national electricity market to decide on the lowest cost abatement technologies. Let the market decide it. Government cannot pick winners. There is no doubt in my mind that nuclear power just does not stack up, but gas and renewables will. In particular, geothermal energy has enormous untapped potential in Australia. It is interesting to note that, in the future plans for the expansion of Olympic Dam in South Australia, potentially one of the largest uranium mines in the world, it is close to where very serious work is actually being undertaken at the moment with respect to accessing geothermal energy capacity.

For that reason the opposition will take to the next election, as we took to the last election, a national emissions trading policy. That has to be about establishing, in consultation with the private sector, the principles which go hand in glove: guaranteeing our energy future in terms of access but also creating certainty for investment in Australia. Alternatively, we believe, the Howard government will be about picking technology winners and debating a futuristic international energy emissions trading scheme that will do nothing to solve investment uncertainty at home in Australia at this point in time. It will also do nothing to deliver the \$35 billion worth of investment needed to meet the sharp rise in Australia's energy demand over the next 10 years. Energy consumption in the world will double over the next 30 years and we are part of a huge growth in energy demand in Australia which requires us to make these decisions today.

In conclusion, on behalf of the opposition, as the shadow minister responsible for the bill I indicate our clear support for the proper endeavours in the bill to tidy up some of the administrative difficulties embodied in the original legislation. But I also call on the government to address energy efficiency opportunities in other sectors of the economy as a matter of urgency, while asking that they seriously turn their attention to how we go forward on the emissions trading front. With that in mind, I commend the bill to the chamber and move the following second reading amendment on behalf of the opposition:

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

"whilst not declining to give the bill a second reading, the House:

- (1) calls on the Government to introduce energy efficiency to all sectors of the community, including transport, and housing, as well as business;

- (2) condemns the Government for failing to support the alternative fuel and renewable energy industries; and
- (3) condemns the Government for not adopting the bipartisan recommendations put forward by the House of Representatives Standing Committee on Environment and Heritage in its 2005 report on Sustainable Cities”.

The DEPUTY SPEAKER (Hon. IR Causley)—Is the amendment seconded?

Mr McMULLAN (Fraser) (10.28 am)—I second the amendment. I thank the member for Moore and the member for Kooyong for facilitating my continuing to make my remarks now. The amendment does raise a number of important issues not covered in the bill, but of course I do support the bill. The Energy Efficiency Opportunities Amendment Bill 2006 is mainly technical in nature and will enhance the operation of the existing arrangements in a manner that is necessary and desirable. It is not of itself in that way a very important bill, but it is a bill about a very important subject and, together with the second reading amendment, gives us an opportunity to discuss some important issues relating to this matter.

The bill amends the Energy Efficiency Opportunities Act 2006 to establish mandatory energy efficiency opportunities assessments for large energy-using businesses and public reporting of outcomes following the announcement of this measure in the government’s energy white paper entitled *Securing Australia’s energy future*. The amendments that the bill makes are minor in nature. Essentially they are about addressing some ambiguities of application and administration of the existing policy. I welcome this bill, and I welcome the amendment, which goes to broader issues about energy efficiency and related questions concerning alternative fuels and renewable energy industries.

I particularly support some of the remarks made by the shadow minister. If we fail to get our energy efficiency and energy pricing messages right, it is going to have a serious effect on the poorest households in our communities. It is that issue to which I particularly want to pay attention. Some data produced by NATSEM indicates the extent to which electricity is a very important part of household expenditure. Of course, we all know that intuitively, and I know it particularly because it is a big issue here in my constituency. Canberra is essentially a very affluent community, but one of the corollaries of that is that it is a very hard place to be poor. There are a variety of reasons for that, but one of them is climatic; heating in winter is very expensive and a very big burden on the poorest families. If we do not get the overall energy market efficiency measures, the price signals and then the social support to compensate for the consequences of price signals right, we are going to hit the poorest people very hard.

NATSEM, the National Centre for Social and Economic Modelling, at the University of Canberra here in my electorate—which I think is an outstanding national research agency—have done some work based on the recently released ABS household expenditure survey on the cost to consumers of electricity. They have found that across all households the average expenditure on electricity for the home was \$17 a week. That is a lot of money. People in the lowest income decile—the lowest 10 per cent of households—spend less, but it is a higher proportion of their income; they spend about \$13.60 a week.

The context in which I want to refer to that relates to some findings in the Switkowski report. I do not agree with the conclusions of the Switkowski report, but that is not my point for the moment. I think it has done a lot of good work in establishing the factual foundation for debate about wide-ranging energy solutions and responses to global warming. The Swit-

kowski report has said that nuclear energy is not viable unless we introduce a price for carbon, but that would increase the price of electricity by 20 to 50 per cent. I think that, to make nuclear power viable, electricity has to go up by more than that; but I want to do more work on the Switkowski report's material before I get into any detailed critique of that. My assessment is that it has understated it, but it has certainly pointed in the right direction. It has certainly got the broad thrust of the implications right, particularly as it relates to nuclear power—and I want to speak about that but then come back to the more general question of energy costs.

The 20 to 50 per cent increase in electricity costs that would be required to make nuclear power viable would cost low-income families, on the NATSEM data I have just quoted, between \$140 and \$350 a year. That is \$350 a year for our poorest households. For average households, it would cost about \$450 a year. That is a lot for all of us, but I know in my own area, and every member of parliament would know in their area—particularly where there are concentrations of low-income families—that the idea of paying another \$350 a year on the electricity bill would really have serious consequences for the life choices of those households.

In preparation for a recent speech I made here in Canberra to the Australia Forum, it became clear to me that the cost for average families would be a problem. The Switkowski report established that the minimum increase in electricity prices to make nuclear power viable was a 20 to 50 per cent increase. In fact, I believe it would be even more. But, even if the Switkowski report's modest assumption should prove correct, it would hit families hard. Low-income families often need to spend a higher proportion of their income on electricity, especially here in Canberra.

My critique is that the government in advocating that we need to go to the nuclear power model is in effect saying to the poorest households in my electorate, 'You have to pay \$350 a year for the pleasure.' The government is not admitting it; it is saying that we can go in that direction without that cost. But Switkowski says that we cannot. But I do not want to mislead—it is probable that any proper response to climate change will put upward pressure on electricity prices. It will not need to be as much as for what I regard as the economically unviable option of nuclear power. Switkowski actually says that, even if we see a 20 to 50 per cent increase in electricity prices, there will still need to be government assistance for the initial investment to get nuclear power going. Why anybody would contemplate that I cannot imagine.

But realistically, as the shadow minister said, it is probable that any proper response to climate change will put upward pressure on electricity prices. Therefore, while we are addressing this, we need to make sure that we have measures in place that will respond to the adverse social consequences of increases in electricity prices, particularly on low-income families. In public policy debates in Australia we tend to get a narrow focus, and people who are very compassionate on social justice issues generally talk about environmental issues and have proposals for their solution which would have profound consequences on electricity prices and therefore on the living standards of Australian families—and they do not blink an eyelid. I suspect they do not see the connection.

I support this bill and I support the second reading amendment moved by the shadow minister, but I want to say to the government that the energy choices that it is making are taking us in a direction that will have a very big impact on low-income families, and I want to say to

people on the other side of the debate, who think that there are easy solutions with very expensive renewable energy options supplying our electricity, that they want to wish away the social justice implications of those changes. We have to face up to both. We have to deal with climate change. I do not regard nuclear power as a viable solution, but we have to deal with climate change and we have to deal with an emissions trading system for carbon—and that is going to have consequences on electricity prices. Both the government's route and the opposition route have implications—one much more than the other, in my opinion. But whichever route we go down we need to realise that our energy solution, as with our water solutions, have the potential to have profound social justice implications, and we need to factor that into our thinking and into our policy responses. This bill is a useful bill in what it does. Its significance is in what it does not do. But I hope the bill receives a speedy passage.

Dr WASHER (Moore) (10.39 am)—It is a pleasure to be able to talk on the Energy Efficiency Opportunities Amendment Bill 2006. I thank the previous opposition speakers for their contribution, which I thought was very constructive. The Energy Efficiency Opportunities Amendment Bill 2006 provides minor technical amendments to the Energy Efficiency Opportunity Act 2006 so that it will correctly reflect its original policy intent and facilitate effective administration of the act. The bill, in accordance with the original legislative intent, clarifies that corporations do not need to register if they are already registered, makes clear that the period allowed for program participants to submit their assessment plans and the consequential timing of the five-year assessment cycle start immediately after the energy use trigger year, and enables efficient administration by allowing the secretary's powers and responsibilities to be delegated to acting senior executive service employees.

The proposed changes are not new policy and will not have any financial impact on the budgeted cost of the program. The Energy Efficiency Opportunities program was established in July this year when the act came into effect. Under the program, large energy users are required to assess the potential to improve their energy efficiency and report publicly on the assessment. Energy efficiency is when the same or a higher level of useful output is achieved using less energy input.

Large energy users are those which use over 0.5 petajoules, which is a factor of 10^{15} , in a year—which equates to the electricity needs of 10,000 Australian households and would cost over \$5 million. Around 250 companies in Australia would meet this criterion and they account for roughly 60 per cent of all energy used by business. Obviously, firms which use large amounts of energy would have a particular incentive to increase energy efficiency and reduce their input costs. However, there was a gap between best practice energy efficiency and actual practice. This program requires a more active engagement by asking firms to look at their unique energy circumstances and assess where improvements could be made.

Orica, which has been trialling the program assessment, has identified opportunities that could save up to \$1.2 million and reduce energy gas emissions by 30,000 tonnes per year. Companies such as Alcoa World Alumina Australia, Hanson Australia, New Hope Mining, Queensland Alumina, Rio Tinto Ltd and Leighton Holdings have already registered, with many others preparing to apply before the March 2007 deadline.

A major challenge to our economic growth and living standards will be to meet a projected 50 per cent increase in energy demand while moving to a low-emissions future by 2020. The Energy Efficiency Opportunities program sits alongside a range of measures which pursue the

benefits of using more efficiently, such as energy market reforms, solar cities, improved appliance and building standards, and targets for reduced energy use in government operations.

The recently released Energy Efficiency in Government Operations policy sets the strategy for Australian government agencies to achieve revised energy and sensitive portfolio targets by 2012. The 2006 policy sets targets of 7,500 megajoules per person per annum for office tenant light and power, and 400 megajoules per square metre per annum for office central services. The 2006 policy also provides a proactive management framework for agencies to identify, monitor and manage their energy consumption. This is achieved by specifying minimum energy performance standards in contracts and leases for new buildings, major refurbishments and new leases over 2,000 square metres. This was recently demonstrated with the new headquarters for the Department of Industry, Tourism and Resources. Congratulations, Minister: the new building uses innovative technologies to cut its environmental footprint and achieves 4.5 stars out of a possible five stars under the Australian Building Greenhouse Rating scheme.

Whilst improving targets for reducing energy use and government operations is very important, it is also important to consider its procurement activities. The Australian government is a significant purchaser of a range of goods and services. In the 2003-04 financial year, agencies spent over \$17 billion. Government agencies' procurement activities can impact upon greenhouse gas emissions from energy consumption in buildings and vehicles, on waste and landfill from paper equipment and office refurbishments, and on the consumption of scarce resources.

The House of Representatives Standing Committee on Environment and Heritage recently looked at green office procurement as part of its inquiry into a national sustainability charter. It found that there is a need for comprehensive policy, targets and practical guidelines if agencies are to improve their environmental performance. Many of the issues can be addressed within a context of developing the sustainability charter. Some agencies have developed successful initiatives in green office procurement, such as the Department of the Environment and Heritage. In fact, they recently launched a website, www.sustainability.gov.au, which provides other agencies with advice, checklists and case studies on best practice in this area.

Assessing and implementing change in our own backyard to improve energy efficiency and reduce emissions is critical; however, we must not lose sight of the fact that we are part of a global environment. Even though we produce a fraction of greenhouse emissions, 1.46 per cent, Australia plays an important role in bringing together major emitters to develop clean energy technologies. Australia is a founding member of the Asia-Pacific Partnership for Clean Development and Climate. The partnership is a groundbreaking alliance of six Asia-Pacific countries—us, China, India, Japan, the Republic of Korea and the United States. The partnership was created to develop, deploy and transfer cleaner, more efficient technologies and to assist in meeting national pollution reduction, energy security and climate change concerns. The partnership can make a difference, as it brings together the commitment of half the world's population, half of the world's GDP and the countries that contribute 50 per cent of emissions and 50 per cent of the world's global energy.

China currently produces 14.6 per cent of worldwide emissions and is undergoing amazing economic growth. It is urbanising at a rate of a city the size of Brisbane every month. It alone will be responsible for 39 per cent of the rise in global emissions and is set to overtake the US as the world's largest emitter. The United States currently emits around 23.5 per cent. China

will not embrace change in relation to climate change if it imperils in any way its energy security, which is fuelling its economic growth.

Last month, Australia invested \$60 million of the \$100 million committed for 42 partnership projects. One of these projects involves \$8 million in funding to CSIRO for a mobile carbon capture project, which will capture CO₂ from coal-fired power stations. Initially, it will capture around 1,000 tonnes of CO₂, but the aim is to grow that very rapidly to 50,000 tonnes per year, as a demonstration plan, and ultimately to have a commercial operation of around 2½ million tonnes of CO₂ emissions per annum. This technology is ready to be rolled out and trialled in various power stations around Australia and ultimately overseas.

The problem of going it alone without the larger emitters, as alternative policies advocate, is that it will drive jobs offshore and make no difference to the global problem. These alternative policies say we should ratify the Kyoto protocol. Unfortunately, the reality is that it will not make any difference to global climate change. The main problem is that the protocol does not include major emitters such as China and the United States. As it stands, under the protocol, global greenhouse gas emissions are expected to still increase by 40 per cent on 1990 levels by 2012, compared to an increase of 41 per cent without the protocol. Even though Australia has decided not to join this agreement, it is reducing emissions to exactly the same level that is required under the Kyoto protocol and is on track to meet its Kyoto target.

Australia continues to push the UN Framework Convention on Climate Change for a more international response to climate change which must include all major emitters. An emissions trading system needs to be fashioned so that it projects the natural advantages that this country has, and it needs to be global.

There is no one single solution to the global challenge of climate change. We need to accelerate the development of clean coal technology, as coal is one of our natural advantages; improve energy efficiency, not only in appliances and buildings but also in the transport sector; develop further alternative energies, including renewable, as they can make a valuable contribution to our energy mix; support reforestation and carbon sink activities; and investigate in a calm, rational, well-informed manner whether nuclear energy should play a role in our energy mix. The Australian government is actively involved in all these areas. Our commitment to addressing climate change is \$2 billion. We will continue to provide a comprehensive strategy of meeting our climate change objectives, both in the short term and beyond 2012, without damaging our economic growth or living standards.

Mr IAN MACFARLANE (Groom—Minister for Industry, Tourism and Resources) (10.50 am)—in reply—I thank those members who have contributed to the debate on the Energy Efficiency Opportunities Amendment Bill 2006. The bill makes amendments to the Energy Efficiency Opportunities Act 2006 to correct a small number of technical anomalies. These amendments will properly align the act with the original policy intent and improve its administration.

The Energy Efficiency Opportunities program is a significant achievement flowing from the government's 2004 energy policy statement *Securing Australia's energy future*. It requires Australia's largest energy using businesses to undertake energy efficiency opportunities assessments and publicly report on their business responses. This applies to an estimated 250 corporations that use more than half a petajoule of energy per year, covering around 40 per cent of Australia's total energy use.

I note that the member for Batman in his contribution moved a second reading amendment and sought a response from the government to some issues that he raised. I respond by saying that there are six companies currently registered in compliance with the act and we expect that about 250 companies will be registered by the due date of 31 March 2007. We also expect that most companies will register late but still within the allowed period, and we expect them all to meet the deadline.

The government, through its Department of Industry, Tourism and Resources, is currently running workshops in capital cities to inform companies of their obligations. It is also writing to the chief executives of those companies to ensure that they are aware of their obligations to register by 31 March 2007. We are also, through the department, sending out regular newsletters and email reminders to the target companies so that they know their obligations and we are also making sure that they plan to register by the deadline. I also reject the amendment proposed by the member for Batman.

I say in closing that the bill amends the act which took effect on 1 July 2006 to clarify that corporations do not need to register if they are already registered. It makes clear that the period allowed for the program participants to submit their assessment plans and the consequential timing of the five-year assessment cycle start immediately after the end of the energy use trigger year and, for efficient administration, the powers and responsibilities of the secretary of the department may be delegated to acting senior executive service employees.

These amendments are consistent with the explanatory memorandum to the Energy Efficiency Opportunities Act 2006 and the obligations as set out in the Energy Efficiencies Opportunities Regulation 2006 and the energy efficiency opportunities industry guide. Enabling the Energy Efficiency Opportunities program to be delivered as originally intended will ensure that stakeholders are not confused by the discrepancies currently evident in the act and will improve the ability of the Department of Industry, Tourism and Resources to effectively administer the act.

The DEPUTY SPEAKER (Hon. DGH Adams)—The original question was that this bill be now read a second time. To this the honourable member for Batman has moved as an amendment that all words after ‘That’ be omitted with a view to substituting other words. The immediate question is that the words proposed to be omitted stand part of the question.

Question agreed to.

Original question agreed to.

Bill read a second time.

Ordered that this bill be reported to the House without amendment.

COMMITTEES

Employment, Workplace Relations and Workforce Participation Committee

Report

Debate resumed from 4 December, on motion by **Mr Barresi**:

That the House take note of the report.

Mr BRENDAN O’CONNOR (Gorton) (10.55 am)—I rise to comment upon the report that was tabled in the parliament this week entitled *Shifting gears: employment in the automotive components manufacturing industry*. It is a unanimous report authored by the House of

Representatives Standing Committee on Employment, Workplace Relations and Workforce Participation and provides a series of recommendations to the automotive parts industry in order for that industry to have a viable future.

This has been a very important inquiry because, as we know, this industry is certainly, to say the very least, in a state of transition. Some would say it is at a critical point in its history because, during the course of our inquiry, whilst we listened to some of the dry commentary from industry players, we were witness to the many closures of small- to medium-sized companies that were feeling the effects of competition from our external competitors. It is true to say that a lot will have to be done to ensure that this industry survives. Without the automotive parts industry there will be no automotive industry in this country—so it was a very important inquiry. The federal government and, indeed, the state governments have an essential role to play in providing a level of assistance to ensure that the industry is competitive.

I think the reason this report is unanimous is, firstly, that we did not engage in an ideological debate over the industrial relations policies of this land. You can be assured that there would have been a comprehensive dissenting report if the government members had asserted that the Work Choices legislation is the answer to the problems that have beset this industry and others in our country. The reason I think the government members of the committee chose not to engage in the industrial relations battles that we have in this place is that most, if not all, of the employer bodies, and indeed the major union, said that was not the significant threat to this industry—that is, the failure to reform the industrial relations laws. If you look at the submissions that were made by the peak employer bodies, you will find it is a very low-order issue—that is, the changes required to our industrial relations laws. There was very little mention of Work Choices by any of the employer representatives before the committee. The major issues that they raised about the way in which the Commonwealth of Australia could assist the industry were in areas of attending to skill shortages and attending to our failure—to date—in research and development, which I think has been one of the wanton failures of this government. If you were going to point to an area which has been ignored and wilfully neglected, it is clearly the failure to invest in research and development. If you measure the investment in this country in that particular field and compare it with countries in the OECD set of nations, you will find that we are falling behind at a rapid rate. Therefore, it is not entirely surprising that some of our markets are having difficulty competing with other nations' markets.

I would like to commend the chair of the committee, the member for Deakin, and other government members and, indeed, the opposition members—but I think it is always harder for government members to effectively draw to the attention of the executive that there has been a failure of government in assisting the industry in the areas of skill shortages and research and development. Many of the recommendations in this report go precisely to those particular areas. I know it is not fair to suggest that the government members on the committee were brave, because that might damn them, but I do think they looked at the issues clearly, they listened to the witnesses before us and they did indeed indicate, as did all members, that there were failures by government. I have to say that would of course include, to a degree, some of the state governments.

As we know, this industry is primarily based in Victoria and South Australia. There are some companies located elsewhere, but over 85 per cent of the industry is located in those

two states, primarily in my state of Victoria. There have been some efforts by the state government there to assist in recent times. It is playing catch-up to a degree, but certainly there are positive signs that the state government is now assisting the industry. However, if you look at the 18 recommendations, Mr Deputy Speaker, you will find that there is a clear message being sent by this parliamentary committee to the ministers responsible to start assisting. I would like to refer in particular to a number of those recommendations. In recommendation 8, the committee recommended:

... the Australian Government investigate options to encourage the retention of local and foreign-born engineering graduates within Australia, including measures to facilitate entry into the workplace in areas of skills shortages.

We found that in the area of engineering there are clear shortages which are causing problems in many of our small to medium companies. I think we have provided a practical recommendation that the government can embrace in order to ensure that those companies are not wanting when it comes to having decent engineers in this industry. In recommendation 9, the committee recommended:

... the Australian Government support the establishment of an automotive component manufacturing leaders forum to develop strategies aimed at improving recruitment and overcoming stereotypes surrounding the image of the industry.

There is no doubt, and it is mentioned in the chair's introduction to the report, that there is an image issue for this particular industry. There are new and exciting jobs on offer, but they do not seem to have attracted the attention of many of our best and brightest. I think there needs to be some effort by the industry, with the assistance of the Commonwealth, to try to lift its image in the eyes of prospective employees who want to have a long and fulfilling career, because what is now going on as a result of the significant technological change happening in the automotive parts industry is not necessarily reflected in people's perceptions of it. So I think there is a need to do something there. Again, that recommendation is a practical one that I think the Commonwealth can consider.

I would also like to refer specifically to some of the recommendations under the heading 'Driving the industry's future' that go to the need to review research and development assistance. The committee recommended:

... the Australian Government review R&D assistance available to the automotive component manufacturers to assess whether it is commensurate with incentives offered internationally.

There is a view, as I indicated earlier, that this government has failed in terms of investing in research and development across all industries. Indeed, there has been a decline in investment since 1996. And not only has there been a decline in real terms in investment in research and investment since 1996; we have fallen even further behind because there has been a net increase in most of the nations that we are competing against in this industry. Because of the ideology or the particular view of the government, there has been a real failure to assist the automotive parts industry in the research and development field.

The committee unanimously recommends that there be a review. It also recommends that the government extend R&D assistance to work undertaken by the Australian based automotive component manufacturing subsidiaries of multinational companies where it can be demonstrated that the work is to be undertaken in Australia to benefit Australian products. Again, I

think that is a particularly practical suggestion, and the government should take heed of that concern of the parliamentary committee.

I want to just expand upon earlier comments in relation to why the report did not focus on the Work Choices legislation. Again I do not think it was necessarily the committee ignoring evidence that was provided to it, nor was there any sort of informal view by committee members that it should not be touched, but when we looked at the evidence from the Australian metal workers union, and indeed the peak employer bodies, there was little mention of the need to have Work Choices imposed upon employees in this country.

It seems to me, if anyone understands the automotive parts industry or indeed the automotive industry in this country, there has been a significant amount of collaboration by organised labour and employers to get things done for the mutual benefit of everybody. One has only to look at the way in which the unions cooperated with the employers when the Button plan was introduced in the late 1980s to see that there has been a longstanding collaboration on the major issues confronting this industry.

There is no doubt that it was not of concern to the employers. Indeed, a number of employers raised a concern that, because the government had sought to remove award classifications in their industry—award classifications that are skills based classifications—there would be less of an incentive for people to be properly trained. They need to feel that there is some worth in their acquiring more skills, new skills and knowledge. So it was refreshing to hear an employer representing the industry at our hearing in Melbourne—and I will find the particular employer's name if I can—indicating to us that there was a real concern that, in terms of the award-restructuring process that was going on, they were concerned that the skill based classification structure was going to be stripped away. They were concerned that just bottom rates would be left, which would send a message that either money should be provided above and beyond the minimum rates based on things other than skills, knowledge and responsibility or indeed that it would be a real turn-off for employees who are concerned with the challenges that the industry confronts. I think the government should take note of that.

We sought, as opposition members, not to dissent. There is no doubt we could have dissented—that is, by adding things that were not recommended by the committee members. It is not a particularly new idea by employers. I would like to quote Roger Boland, who was then the Ai Group spokesperson. Not that long ago he indicated his concerns about taking a rash and unfair approach in the workplace, when he said:

Where employers have adopted a bargaining strategy, in many instances it is driven by an exclusive desire to cut costs rather than pursue innovation. Now that is completely understandable in today's competitive environment. But is a blinkered approach to achieving competitiveness through workplace change and is creating a backlash amongst workers manifested in intense feelings of job insecurity, disillusionment, lack of trust, "reform fatigue" and a shift to greater militancy.

They were the words of the AiG spokesperson not that long ago, and I think it is true to say that many employers share that view. That is why you do not see all employers, certainly from some particular industries, coming out embracing Work Choices.

That is why Work Choices is not mentioned in this report. If we want to fix the problems in this country in our work places, we have to attend to skills shortages, as was noted in this particular inquiry and in this report—indeed, we have to attend to the failure in research and de-

velopment. We ask the government to seriously consider those recommendations and hopefully adopt some of them in the very near future.

Mr HAYES (Werriwa) (11.10 am)—I join my colleague the member for Gorton in speaking to this important report from the Standing Committee on Employment, Workplace Relations and Workforce Participation entitled *Shifting gears: employment in the automotive components manufacturing industry*. It is important because the report was brought down without dissent. Clearly a lot of time and effort was put into addressing the present position of the industry—the industry collectively as well as various enterprises within it.

The picture that is painted in the report *Shifting gears* is one of significant global developments affecting our automotive industry and developments occurring which are having a profound effect on the domestic supply chain. The global automotive industry at the moment is going through a huge and profound change. It is moving to restructure significantly to respond to competition; to address the rise of new markets, principally markets based around India and China; and to address production costs by moving closer to markets. Globally we have a position of overproduction—certainly overproduction of certain classes of automotive vehicles; hence the move to restructure into smaller, more efficient vehicles and vehicles which are more in demand in the rising markets of developing countries.

It is far too easy to say this is simply a global problem that the industry finds itself in and it is one that the government has got to dig it out of. I, for one, do not accept that rationale. We have seen over the last number of years a number of significant closures in the supply chain of our domestic automotive industry—one only two weeks ago. Clearly our motor vehicle manufacturers are changing how they access components. They are certainly going more and more offshore. The proportion of Australian components in Australian manufactured vehicles has dropped considerably over the last five years and it is a trend that does not appear to be changing.

When we look at this industry a couple of features stand out. It really now can be categorised as a just-in-time industry. Whether it is the fasteners, the transmissions or the power steering, when they are outsourced it is within the domestic context a just-in-time industry. The motor vehicle manufacturers do not carry inordinate stocks. They run their manufacturing schedules around the provision of parts. They are so carefully choreographed that component manufacturers effectively have to meet the just-in-time demands that apply in this industry.

Another thing that is clearly the case in this industry—and not just in automotive parts manufacturing; it could probably be seen almost as a microcosm of manufacturing generally at the moment—is the rise in competition from imports, particularly imports as a consequence of cheap labour in developing countries. Quite frankly, that is having a dramatic impact on the Australian automotive industry, having regard to the way it seeks to outsource the supply of various areas of componentry.

It is a little easy, I suppose, to have regard to this, despite the fact that the Australian government over many years has, through the Automotive Competitiveness and Investment Scheme, contributed to the adjustment costs of industry, particularly with the withdrawal of tariffs. That assistance does not seem to have percolated right through the supply chain and, as a consequence, many within that supply chain still suffer in terms of adjustment costs in meeting the demands of Australian motor vehicle manufacturers.

One of the matters that really stands out in this industry is that despite the fact that we see a contraction, we are still seeing skills shortages. Numerous organisations appeared before us and expressed concern about how difficult it was to fill vacancies, particularly in relation to the skilled ranks. For people who have not studied this review closely, that would seem to be a contradiction in terms. On one hand the industry is suffering because of overseas competition and because local manufacturers are going offshore for parts and componentry, yet on the other, within the component sector itself, they are still struggling to fill vacancies. This is occurring while we are seeing much-publicised redundancies. We saw the Ajax Fasteners case during the week before last and the downturn in the motor vehicle industry in South Australia—a lot of people, unfortunately, have been retrenched there—yet we are still struggling to fill vacancies in various sectors of the industry.

That gave rise to one of our recommendations, recommendation 10, which, among other things, calls on the government to commission a national study on the post-redundancy outcomes for workers in the automotive industry which takes into account employment, educational and social outcomes for those individuals accessing a formal labour market adjustment program. It is a little trite to think that just because there are workers who are displaced in one location they can easily fill the needs of another location. Realistically, we must start to plan, or at least look at and identify where these issues are emerging so that we can do something about it.

I would also like briefly to draw attention to recommendation 11, which recommends that the Australian government develop a general labour adjustment program for the automotive components industry that focuses on the provision of training and employment support strategies to assist employees while they are still employed, on targeted training to upskill displaced workers and on addressing the concerns of the wider community about the impact on regions where the automotive components industry is a major employer. That is something that we consider to be overdue. As I said earlier, we are concerned that the assistance that has been provided by way of an adjustment program to automobile manufacturers has not necessarily made its way down to all the various support industries within the automotive componentry manufacturing area. That is something that we should be taking on board. It is difficult when we have this contradiction of, on the one hand, a skills shortage and, on the other hand, redundancies throughout the automotive industry on the scale that we saw during the period that we participated in this inquiry.

One of the things that we have addressed is research and development. The reason I want to draw attention to this is recommendation 12, which says:

The Committee recommends that the Australian Government review R&D assistance available to automotive component manufacturers to assess whether it is commensurate with incentives offered internationally.

During the recent House of Representatives Standing Committee on Science and Innovation inquiry into commercialising innovation, one of the things that we found when we looked at the level of research and development that has taken place in this country was that, whilst we may provide financial incentives or tax incentives for Australian based companies to undertake R&D within this country, we do not make the same provision for overseas based companies.

As was the case with the science and technology committee, I think it is fair to say all members of the employment, workplace relations and workforce participation committee came to the view that undertaking R&D is a little bit like education. Certainly we should look at attracting R&D into this country, because if we can do that there is probably a greater likelihood that we will get the downstream benefits of manufacturing itself. We are supportive of what the science and technology committee recommended and we are strongly of the view that the government should consider reviewing the tax incentives that are available for companies that undertake R&D in this country. We also feel that the government should make those tax incentives available for overseas based companies, provided the R&D work is actually conducted in Australia. We think that that would further stimulate skills in this industry. It would certainly provide a much-needed skill base of available personnel and would build a very substantial link between R&D and manufacture generally.

In closing, my own personal observation is that many people in the industry will have to face up to the reality that there does have to be diversification. I would raise just as an example of that—only because this occurs in my own electorate—Broens Industries. This organisation started 25 years ago, ostensibly as a toolmaking shop, but has now targeted the higher end of the manufacturing industry in precision engineering, special purpose manufacture of machinery parts and automotive application. Currently, this shop, which is in Ingleburn, exports to 17 countries. It includes among its customers companies such as Mercedes-Benz, Ford, General Motors, Boeing and Airbus. The company employs 150 people. It put on 27 apprentices. This company invests 30 per cent of its annual turnover each year in process development in new products. When I look at it, this company is actually doing it right. It is committing to it. It is backing itself for the future and, as a consequence, it is now supplying a substantial proportion of the Australian domestic market with power steering. This is a company, as I say, that started off 25 years ago as a toolmaking shop.

I think that this is the way that people in the manufacturing industry are going to have to go. I was very heartened when I heard the first contribution of the new Leader of the Opposition the other day in the MPI, when he outlined his view about Australia not being the quarry of Asia and certainly not being the beach for Japan, but being able to not only meet and compete but actually attack the manufacturing market, particularly at the high-tech level. We do support the retention of higher skills within this industry, and that should be Australia's niche. The higher end of this market is something that I think we can work to attract. I commend the report. (*Time expired*)

Ms HALL (Shortland) (11.25 am)—As has been noted by previous speakers, this report from the Standing Committee on Employment, Workplace Relations and Workforce Participation, entitled *Shifting gears: employment in the automotive components manufacturing industry*, was unanimous—which, I must say, has been a unique experience on that committee. The committee tends to divide very much along philosophical lines, but this was one report that we all came together on and delivered a unanimous report.

My impression of the automotive component manufacturing industry is that it is an industry under extreme threat. Every time I attended a public hearing and I heard evidence from the witnesses, I got the overwhelming impression that this is an industry that is struggling for survival. It is dependent on the car industry for its survival, and problems that are confronting that industry are impacting very much upon the components industry. I think one example of

how the component industry is being affected is the new Holden. In the previous Holden, more than 70 per cent of the components were Australian made. In the new Holden, that has gone down to around 55 per cent. That shows that more and more components for our Australian cars are being manufactured overseas. This, in turn, impacts very much upon employment within those industries and the future of our component industry within Australia.

It was fairly hard to get a clear picture of the industry and the people who work in the industry. That is why I think the committee's first recommendation—that the Australian Bureau of Statistics publish disaggregated data on the automotive industry to the level of the automotive component manufacturing sector—is a good one. I found that invariably information was not set out in a way where we could readily obtain information. DEWR did not have the information; nor did the industry bodies.

Overwhelmingly, the issue that hit me is the fact that the government has failed to invest in Australia's future. I feel that our manufacturing industry within Australia is declining at an ever-increasing rate and that we as a nation are failing to invest in manufacturing, failing to ensure that we have an ongoing strong manufacturing industry and, as a consequence of that, we have a declining skills base for industry to draw upon. A country without a manufacturing industry is very vulnerable, a country without a car industry is very vulnerable and a country that does not have the skills and expertise to manufacture components for its car industry is a country that is very, very short-sighted.

Overwhelmingly, this report acknowledged that there are enormous skills shortages and that there are issues around training. Part 4.4 of the report says:

... there are widespread skills shortages within the automotive industry, particularly for engineering and trade skills.

It is important to note that the shortages also go to unskilled workers. Witnesses told us that, when skilled workers within the industry are made redundant, they seek to leave the industry and develop new skills rather than upgrading their skills and utilising them within the manufacturing industry. I see this as a long-term exacerbation of the skills shortage that exists.

DEWR has identified trade skills shortages for welders, metal fabricators, toolmakers, fitters, machinists, motor mechanics, electricians and vehicle body builders. The report includes a table which shows that there is an across-the-board shortage in all states in those trades, except metal fabrication, for which there is a regional skills shortage. And there is not a shortage of toolmakers in the Northern Territory, which I think says more about the composition of the manufacturing industry within the Northern Territory. I do not believe that that is a skill in such demand in the Territory.

There is fierce competition within the manufacturing industry for skilled workers. The mining industry, the resource sector, can afford to pay more for their workers. As a consequence of that, industries such as the automotive parts industry have great difficulty in attracting workers. It is a unique situation. We have an industry that has had significant redundancies over a period of time yet simultaneously has a skills shortage, which goes to reinforce the fact that it is an industry under threat. It is an industry that has suffered from government neglect and a lack of planning. It is an industry that really needs the support of government.

The committee made some substantive recommendations relating to skills shortages: recognition of on-the-job training; recognition of prior learning; looking at arrangements for dis-

placed workers in the future; looking at current skill needs and strategies to address those and trying to predict future skills shortages; and integrating training across the supply chain to facilitate the transferability of skills across the industry sector. If the government is really serious about addressing Australia's skills shortage, if they look at what is happening in the automobile component industry it will give them a good idea of how this skills shortage has been allowed to develop and how the government's failure to address that skills shortage is impacting on the industry.

It is very sad that we are faced with an enormous skills shortage across Australia in all the trades. It reflects the fact that the government has failed to invest in training young Australians over a long period of time. Bringing people in from overseas is a very short-sighted, stopgap approach to addressing the skills shortage. Allowing our industries to go offshore is even more short-sighted. We should be getting in there, assessing, planning, looking to the future, working out what Australia's skills needs will be in the future and training young Australians so they can fill the predicted shortages in the future.

I think it is time, with the tabling of this report, to note the importance of the manufacturing industry to Australia and the importance of the government getting behind the manufacturing industry, acknowledging the fact that Australia does need a manufacturing industry and then putting in place proper strategies to address the skills shortage to ensure that we have Australians with the skills needed to work in our manufacturing industry. There are a number of very good recommendations in this report, looking at redundancy, skills and training, and the future of the industry. I support the recommendations of this report and I encourage the government to adopt those recommendations.

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

ADJOURNMENT

Mr RANDALL (Canning) (11.36 am)—I move:

That the Main Committee do now adjourn.

Television Sports Broadcasting

Ms LIVERMORE (Capricornia) (11.36 am)—To say that the second Ashes test, which provided us with so much action and excitement this week, was one of the greatest games of cricket I have ever watched would be an understatement. To see Shane Warne ripping through the English line-up was a breathtaking spectacle. I want to add my voice to the many who have already congratulated Ricky Ponting and the whole team on this great win. But there is a serious side to all this. Great sporting moments such as the Ashes deserve to be seen by as many Australians as possible. The only way for that to happen is by having them played on free-to-air television. That is the purpose of the antisiphoning list which Labor designed to protect the Australian viewing public from being forced to install pay TV to see events like the Ashes series.

In February of last year I stood in this place and added my voice to the growing list of people who were rightly upset that the 2005 Ashes series in England was unlikely to be seen on free-to-air television. We had got into this situation because the Minister for Communications, Information Technology and the Arts had somehow allowed the series to fall between the cracks. The government had acknowledged that the Ashes series was an event of national significance but had not done anything to ensure that the broadcast rights first went to a free-to-

air broadcaster. It was only at the last minute when SBS picked up the series that many Australians had the opportunity to watch what many described as the greatest series in the history of cricket. However, as I said at the time, parts of my electorate and many other parts of regional and rural Australia do not receive SBS.

This was all reminiscent of the government's total lack of understanding regarding the importance to Australians of the World Cup soccer, where the minister stated in Senate estimates that the World Cup did not meet the government's criteria of being an event of national importance and cultural significance. Apparently the fact that 14.8 million Australians had watched the World Cup in 2002 did not constitute it being an event of national importance. The minister went on to say that Australia does not have much participation in the World Cup, as justification for her government's decision to drop the World Cup from the list. I think anyone watching Australia's magnificent performance in the World Cup earlier this year would not be able to believe the government's attitude towards it. Those millions of Aussie kids who now all want to be Socceroos would not have had the opportunity had the government continued with its plans for the World Cup.

My office has been receiving a number of calls and visits from concerned residents about the future of sport on free-to-air television following the recent passage of the government's media ownership legislation. Residents of Central Queensland are increasingly worried about the potential to lose the right to watch the major sporting events that they have always been able to watch for free. These events were available to everyone in Australia as long as they owned or had access to a television set. This is in stark contrast to the only 25 per cent of Australians who have access to pay TV.

I watched with interest the Channel 9 coverage of the recent Adelaide test match and noted the commentators continually talking up the Channel 9 coverage and the history of the association between cricket and Channel 9. It leads to the question: where was the Channel 9 coverage of the 2005 Ashes series in England? The Packer and Murdoch media empires stand to gain a great deal more by forcing Australians to fork out for pay television just to watch these events.

Central Queenslanders love their sport and they are begging this government to ensure that these iconic sporting events are always available to them on the free-to-air stations. I would urge the government to heed these calls and move to permanently protect the rights of Australia's sports-mad public. I also put the call out to Channel 9. I ask Channel 9 today: will they bring to Australia live coverage of the next Ashes series to be played in England or will they abandon us, as they did in 2005?

Ms Tenneil Friend

Mrs GASH (Gilmore) (11.41 am)—I speak on behalf of student Tenneil Friend, from Tomerong, in my electorate of Gilmore. I am proud to be able to read the speech she has prepared for me, following her visit to Belgium on an exchange program. She says:

I have just experienced the most thrilling and challenging year of my life. In July 2005, when I was 16, I left my home, family and friends and flew to Belgium for one year's cultural exchange.

I left Australia not knowing anyone in Belgium and unable to speak their language. I was completely relying on my Australian resilience and ability to adapt to change, hoping that I would be able to communicate with someone.

After some months living with French-speaking Belgians, immersing myself in their culture, attending school daily, as well as French night classes, I began to feel confident enough to speak French. I made many mistakes, often saying very inappropriate, impolite words to my professors, who kindly laughed and corrected me.

Trying many new and unusual foods also played a major part in my day-to-day life in Belgium. I have eaten for the first time deer and horse and I also tried one of their favourite lunchtime spreads, raw mincemeat with mayonnaise on a French roll. In return I made pavlovas and jelly. I encouraged them to eat Vegemite, which they thought was absolutely disgusting. They did, however, really enjoy the Aussie meat pies which I regularly cooked for them, along with good old-fashioned Aussie damper.

My experience of the rail system found that the trains always ran on time. Belgium also has a marvellous bus system.

The standard of their education system is very high and if you do not pass all of your subjects each year you must spend your summer holidays studying and redo them again at the end of the summer break. If you are still unsuccessful then that year has to be repeated until a pass is obtained in all subjects. Some students are quite old in their final year! I wonder how Australian teenagers would feel about that system being implemented into our education system?

I feel our Australian policies on non-smoking are something to be very proud of. In Belgium such policies do not exist. However, I believe they do not have a problem with alcohol as much as we do in Australia. Alcohol is part of their culture and an extension of their cuisine. They drink it because it complements their meal and they have such a wonderful variety of beers and wines.

One particularly moving experience was a school excursion to Auschwitz. I walked along the railway tracks that had carried the people into the concentration camp. I saw the concrete beds they were to sleep on and the gas chambers which were marked as 'showers'. There were rooms full of the empty gas canisters and rooms full of clothes and shoes. The whole area had a huge emotional impact on everyone. It was the most powerful history lesson I have ever experienced.

I would like to thank my host family, the Hubinonts, who welcomed me into their busy life. They helped me experience and understand much of the Belgian culture, especially Classic Belgium Art. This helped me to study at school with my major subject, art. My final work was a painting giving homage to a famous Belgian artist. I presented this to my school to show my appreciation.

A special thanks goes to all my school professors at Athenee Royal de Rixensart and to the music community which welcomed me and allowed me to join their band. My exchange would not have been the same without the help of my new Belgian friends, Jonathan, Etienne and Sylvain. They constantly helped me understand their culture and language and encouraged me to focus on my study. I inspired my friends with stories of Australia, so much so that Sylvain is now currently in Australia on exchange for a year and Etienne plans to come and experience the Australian culture after he finishes his degree.

I believe that this exchange between the Australian and Belgian cultures has been beneficial to both myself and the people I have interacted with in Belgium. On my return to Australia I sincerely thank all those involved in making it possible and so rewarding.

I am proud of what Tenneil has done and of the role she has played as a cultural ambassador to Belgium. Tenneil's experiences stand as a model for other young Australians who are proud of their heritage. It is a compliment to her school, her family and friends. It is no wonder that we are so proud of her.

Child Sexual Assault

Ms GEORGE (Throsby) (11.45 am)—Recently I visited the West Street Centre in Wollongong, a community based counselling service dedicated to women and young people who have experienced and have lived with the trauma of child sexual assault. Child sexual assault

is still a largely hidden crime in our community. This is despite the fact that many research findings suggest that it is a common crime, with up to one in three girls and one in seven boys having experienced sexual assault by the age of 18. The impacts of this hidden issue are great. The experience of isolation is one of the most direct effects for the victim or survivor of this abuse. Isolation as well as a range of other traumatic effects of this abuse have been strongly linked to serious mental illness in adulthood.

The West Street Centre assists women in their recovery from the effects of childhood sexual abuse as well as associated mental illness. It helps women to meet together in groups and forums, to understand that they are not alone and to develop the sense of community that has often been taken from them as children. It is obvious that centres like the one I visited are understaffed and underresourced, with little by way of federal government support.

This country needs a national long-term plan to address violence against women and children. The most recent survey conducted by the ABS in 2005 estimates conservatively that one in five women experienced domestic violence or sexual assault in the previous year, but over their lifetime as many as 57 per cent of women reported experiencing at least one incident of physical or sexual violence.

Instead of the piecemeal approach that we have seen on the part of the Howard government in which programs are funded and then abandoned, in which advertising campaigns are started and then scrapped and in which community groups are struggling with inadequate resources, a Labor government has committed itself to develop a national plan to prevent violence against women and children. This plan includes a commitment to firstly establish a national council on violence against women and children. Council members will include survivors of domestic violence and sexual assault, law enforcement agencies, academics and peak service bodies, including the Women's Services Network and the National Association of Services Against Sexual Violence. We would want to ensure that the council presents the latest data on programs and progress to a cabinet formed when Labor is elected to government.

We see ourselves establishing goals, time lines and responsibilities to ensure that all levels of government and agencies are making progress in dealing with these unacceptable situations. We want to ensure that schools teach values and respect and are able to provide information to younger students on issues to do with violence and sexual assault in the community. We need to work with state governments and the community sector to particularly improve access to crisis accommodation, because, as we all know, in our regions the shelters that are there to assist women escaping from domestic violence are often overcrowded and insufficient accommodation is available. We need to improve the transition from these crisis centres to long-term, secure, affordable accommodation. We need to promote successful local programs and help turn them into effective national programs, and we need to prevent violence in our community by implementing a public health response.

I hope that all involved with the West Street Centre in Wollongong will take some comfort in knowing that politicians are listening and that there is a genuine commitment by my party to deal with many of the issues raised with me on my recent visit to the centre.

Battle of Long Tan

Mr ANTHONY SMITH (Casey) (11.49 am)—I rise today in this last week of sittings for the year to address an important and historic issue for the parliament and for our nation, and I speak again of the contribution of Australian service men and women in the Vietnam War in general and the Battle of Long Tan in particular. Nearly four months ago Australia remembered the 40th anniversary of the Battle of Long Tan. We remembered the amazing efforts of 6RAR against all odds and the critical nature of that battle. We remembered everyone who served in Vietnam in the course of Australia's longest war. We thanked them. We apologised to them for the appalling way they were treated during and following their service, and we affirmed to them that their great contribution to our nation was in the finest traditions of the Anzacs.

Like all members, I attended local functions to thank local veterans. One of these was held at the Wandin public hall on Sunday, 1 October. On that afternoon I met a number of veterans, one of whom was Cliff Dohle. I met Cliff and his wife, Joan. Cliff served with the Royal Australian Air Force as a helicopter pilot for a long period. He played a critical role in the Battle of Long Tan. We all know of the heroic, brave and determined actions of 6RAR in that rubber plantation five kilometres east of Nui Dat when, in heavy rain, just over 100 Australian soldiers turned away more than 2½ thousand Vietcong. It was a fierce battle. Late in the afternoon, the soldiers were running low on ammunition and without a new supply they would have been overrun in a very short period of time. Visibility was poor and teeming rain and a low cloud brought on an early darkness. Two choppers, one captained by Cliff Dohle, took off and planned to fly in company but were separated as a result of the conditions. They flew at treetop height, overloaded with large payloads of ammunition, to replenish the supplies of our soldiers in the middle of the firefight. When our soldiers let off the correct flares, the crews pushed out the ammunition on target. Flying in those conditions at such a low height required great poise, bravery and skill.

I single out Cliff Dohle today not because his actions were the most heroic—he would never make such a claim himself—but because he represents a group of soldiers and airmen who together risked their lives in a battle against the odds at a critical time in the Vietnam War. I single him out to illustrate every contribution on that day. Long Tan is rightly regarded as Australia's most fierce and critical battle. Vietnam Veterans Day is held on the anniversary of Long Tan. This does not in any way diminish the contribution of others in other battles; rather, it symbolises the contribution of all.

I have spoken before of the need for Australians to thank our veterans for their service and apologise collectively and individually for the disgraceful way in which they were treated at all levels. The Prime Minister rightly apologised on behalf of the nation in August this year. He took another important step in healing those wounds when he laid a wreath at Long Tan just a few weeks ago.

No discussion of Long Tan can take place without a candid acknowledgement of the controversy with respect to the issuing of awards and medals following that battle. It has been broadly acknowledged that an injustice occurred. I was heartened back in August when the Prime Minister stated that he and the Minister for Veterans' Affairs would continue to engage with representatives of the veteran community on the issue. The Prime Minister, the minister and many ministers before him have talked of the difficulty in reopening a set of award rec-

ommendations without reopening so many other issues. I understand this principle but I would say also that there is a very defensible case for re-examining the Long Tan medals issue in isolation. The battle has been recognised as pivotal. The number of soldiers and airmen involved is small as a consequence of the surprise and nature of that attack 40 years ago.

I would say that, 40 years on, we have a great opportunity. I urge the minister to look for ways to resolve the injustice and to overcome the longstanding bureaucratic defence that nothing can be done. In the years ahead our nation will be relying on our Vietnam veterans to carry on the Anzac tradition and keep the memories of our history alive in our local communities and RSLs. Soon they will be handed the baton of leadership from our World War II and Korean veterans. It is in our nation's interest that every Vietnam veteran in Australia feels that their contribution was valued and appreciated. We need, as a nation, to tell the stories of those who fought at Long Tan—the stories of Cliff Dohle and every other Australian who took part.

Climate Change

Mr MURPHY (Lowe) (11.54 am)—Evidence of the disastrous consequences of unabated carbon dioxide emissions causing global warming has finally become so overwhelming that even the most recalcitrant members of the Howard government have now admitted that there could just be a problem. Unfortunately, the government's proposed solutions, such as nuclear power or geosequestration, will only reduce emissions by relatively small amounts over an unacceptably long time frame. Under this government's policies, Australia's coal-fired power stations will still be spewing carbon dioxide into the atmosphere in 2050, by which time the rest of the world will have shut down their coalmines and moved on to the replacement of fossil fuels with renewable energy.

Other governments have already published strategies for rapidly reducing greenhouse gas emissions. In the case of California, for example, the immediate plan is to cut vehicle emissions by 30 per cent by 2016 and total emissions by 25 to 30 per cent by 2020. Under the Warming Solutions Act 2006, signed into law by Governor Arnold Schwarzenegger, a cap and trade system will be established that will make California, with the world's sixth largest economy, a world leader in the effort to reduce greenhouse gas pollution.

Greenhouse gas reduction strategies that are already under way in California include a 30 per cent improvement in vehicle fuel consumption by 2016, solar panels on one million California-roofs, natural gas usage efficiency improvements, domestic appliance efficiency improvements, zero waste and high recycling programs. According to two independent analysts, these and other measures will reduce emissions to year 2000 levels by 2010, to 1990 levels by 2020 and to 80 per cent below 1990 levels by 2050 and will be implemented at no net cost to the Californian economy while creating 20,000 new jobs and expanding the state's economy by \$US60 billion. So much for the Prime Minister's claim that reducing greenhouse gas pollution is unaffordable and costs jobs.

The failure of the Bush administration to act against the causes of global warming has led informed commentators to warn that the United States risks becoming a technological backwater as other nations, including Canada, the Europeans, China, Japan, Korea and India, rebuild their energy industries and move away from fossil fuels. Similarly, the Howard government's slavish following of the blunders of the Bush administration puts Australia at risk of being left with an unsustainable and inefficient fossil fuel economy based on increasingly unsaleable commodities such as coal. The government believes that the coal industry can remain

insulated from the tide of change that is beginning to sweep aside the old fossil fuel economy, and it promotes the delusion that the industry will continue to expand in the face of growing international pressure to reduce the use of coal, the largest single source of greenhouse gases.

Australia is the world's largest exporter of coal, and in 2002 Australian coal exports of over 200 million tonnes earned \$13 billion in foreign exchange. At present, the world burns about five billion tonnes of coal per annum, of which Australia's exports represent about four per cent. Most of the coal that is used around the world is mined near the point of consumption and the coal export trade is only a small fraction of the total output. If the rest of the world follows California's lead and cuts greenhouse gas emissions to 80 per cent below 1990 levels, then it is evident that the export coal industry is in for a steep decline, if not a large-scale collapse, in the near term.

In his last term, former President Bill Clinton warned that the coal industry was in a 'sunset phase'; yet despite this warning the industry and, in particular, the Howard government acts as if nothing will change. What policies has this government developed to cope with the inevitable crisis facing the coal industry, the largest single source of Australia's overseas income? I am sure that—as with the Howard government's responses to events such as the AWB scandal—there are no preparations, no precautions but just the usual fabrication that no-one actually told the Prime Minister anything.

The UN Secretary-General, Kofi Annan, speaking at the recent UN climate change conference in the Kenyan capital, Nairobi, said—referring to Australia and the United States:

They, the US and Australia, have to be in step with the rest of the industrialised world. They have a responsibility to their citizens and to the rest of the world.

It is evident that neither the Prime Minister nor President George Bush will ever accept this criticism and that the only possibility for change lies with the election of new governments in both countries. They cannot come soon enough. (*Time expired*)

Boothby Electorate

Dr SOUTHCOTT (Boothby) (11.59 am)—The National Climate Centre has stated that the drought in Australia is intensifying, and most capital cities have water restrictions. This really does highlight how important it is to take practical measures to conserve water. I am particularly pleased that the electorate of Boothby has received nearly \$720,000 from the Howard government's Community Water Grants program. That money will save more than 61 million litres of water a year.

They are small projects focusing on primary schools and sporting clubs. Some of the larger projects in my electorate include the Flagstaff Hill Golf and Country Club. They have received \$40,000 to recycle stormwater by creating a retention basin. This will save 26 million litres of water a year. And Unley High School has received \$49,922 to install constant flow control valves and dual flush toilets. This will save over 18 million litres of water a year. These are very good examples of the practical measures that a federal government can take to see that we have much better water use. It is absolutely critical with the drought intensifying and water restrictions already on families.

As we approach summer, there is increasing concern in my electorate about antisocial behaviour, hoon driving and so on. I was particularly pleased to have a visit from the Minister for Justice and Customs, Chris Ellison. I took him down to Moseley Square in Glenelg. It is

not in my electorate; it is actually in the electorate of Hindmarsh, but it is covered by the city of Holdfast Bay, which is based in my electorate. This is a very popular place for people to go in summer, but it is also sometimes the scene of antisocial behaviour.

My colleague the member for Kingston, in his former career as a distinguished police officer and community police officer, knows full well the problems that we see in the community. I am particularly pleased that the city of Holdfast Bay, which is based in my electorate, has received \$90,000 to install closed-circuit television cameras at Moseley Square. This will be a very important infrastructure project which will allow the police to monitor any antisocial behaviour and make sure that families are able to enjoy going down to Glenelg in summer.

Lastly, my electorate does include a lot of the Adelaide foothills. There is lots of grassy woodland there and there is always the risk of bushfire. With the drought and the expectations of a hot summer, this means, firstly, that residents need to do everything they can to reduce the fuel load on their properties. It also means that we need to be alert to the risks of arson. The CFS needs all the resources possible to combat the fire. We saw, two summers ago, a devastating fire on the Eyre Peninsula at the same time as there was a fire in Adelaide.

As to existing facilities in South Australia, they have a fixed-wing capacity, but they do not have the access to the Erickson sky cranes. The South Australian state government should look to getting an Erickson sky crane. We do have the possibility of using the one that is going to be based in Canberra, depending on need. And, of course, that is only a two-hour flight away from Adelaide. These are the issues that my constituents are considering as we approach Christmas: the issues of water, antisocial behaviour and making sure that their properties and homes are protected from bushfire.

Veterans' Affairs: Mental Health

Mr GRIFFIN (Bruce) (12.04 pm)—I rise today to talk about mental health issues within the veterans community. Many veterans and their families face mental health issues, and there has been a growing awareness and acceptance of the reality of these sorts of problems. A range of conditions can and do manifest themselves and they can have a devastating impact. Depression and family breakdown are not unusual and, in the most tragic of circumstances, violence and suicide can be the end result.

Dr Kristy Muir, in her paper titled *Living in a citadel: the participation of mentally ill war veterans in Australian society*, writes:

Mental illness may have a profound affect on an individual's ability to fully participate in society. This is especially evident in the lives of Australian war veterans, who are more likely to suffer from mental illnesses than their civilian counterparts. As a result of their symptoms, mentally ill veterans often face difficulty functioning economically, domestically and socially. Some cannot cope in the civilian workforce, they have great difficulty maintaining relationships, and they socially isolate themselves, both physically and geographically.

Professor Hedley Peach, a medical epidemiologist who has worked on a series of key studies into the health of veterans, has also acknowledged the current and possible future mental health problems facing the veterans community. In the *Medical Observer Weekly* on 6 October, he said that veterans can suffer from psychological trauma, face an increased risk of some cancers, and smoke and drink at dangerous levels. He said, 'Veterans and their partners are possibly approaching retirement with a greater prevalence of mental/physical health problems

than the general population,' and 'It is a fair assumption that their health will deteriorate faster than the health of their contemporaries.'

There is no doubt that mental health is a widespread problem within the community. Statistics from the Department of Veterans' Affairs reveal that there are 52,473 veterans with a mental health accepted disability. While this number is high, it should be noted that it includes only those who have approached DVA and who have had their condition recognised. It does not account for those whose mental illness is still unrecognised.

I also want to make the point today that veterans from all conflicts suffer from these problems. Mental illness is often seen by the wider community as a Vietnam War phenomenon. There is no doubt that this war left psychological scars, but so have other conflicts, such as World War II, the Korean War, Iraq, Rwanda and many others. This is a problem that faces all veterans. It is also a problem that faces veterans' partners and children. Too often they have to bear the heavy burden of the veteran's service, sometimes resulting in mental illness. This is often underrecognised in the Australian community.

Given wide community concern about the huge unmet need in the general community relating to mental health, the government brought forward a \$1.9 billion package in the last budget. This was an important step in the right direction. However, in the Veterans' Affairs portfolio only some \$20 million in new expenditure was promised. Approximately \$130 million is currently expended annually in DVA on mental health issues, but I find it quite unbelievable that, with a \$1.9 billion package to address current unmet demand, only \$20 million is allocated to the needs of veterans.

In response to questions at estimates, the department has now revealed that it is not funding any new programs with this \$20 million. Instead, it is expanding the programs it already has in place, including the Heart Health program, the Changing the Mix program and the Stepping Out program. Whilst this is welcome, I would have thought that the Minister for Veterans' Affairs could have taken the opportunity to introduce some new programs for the department, given the importance of this area. I was also astounded to learn that of this allocated \$20 million, just over \$5 million is being set aside for administration. Given that this money is not being used to fund any new programs, I cannot understand why the department needed \$5 million for administration costs. I think the minister should look at this again.

We need more than this. We need creative and innovative solutions to the problems. We need more action and substance and less bureaucracy and administration when it comes to these issues. I know it is argued that veterans can access services provided to the wider community as part of that \$1.9 billion, but I cannot help but feel that the particular needs of veterans will not be catered for in many general service delivery options. The sorts of traumatic experiences suffered in the service of our country by our veterans create particular problems needing specialist services.

I note that the department, in its annual report this year, has foreshadowed further training in mental health literacy for health service providers and staff within the DVA environment. This is a measure that I wholeheartedly welcome and support. It is extremely important that GPs are given education in the specifics of mental health for veterans. I have argued previously that the department needs to improve its communication strategies. The programs that are currently running and the support that is available within the department are often of a high quality, yet they are often woefully underutilised. The minister needs to ensure that the

information is getting out there. I think that one of the problems is that often information about these programs is provided only to people who already are diagnosed with a problem. We need to get this information out into the community to as many sources as possible, so that people can start to recognise and spot problems and, if they do, be aware of the support that is available to them. This is about being proactive and raising awareness rather than reacting.

The government needs to realise the importance of outreach programs. I do not think this is being achieved, which can be seen by a breakdown of figures relating to DVA's mental health expenditure. In 2001-02, DVA spent \$400,000 on its publicity and awareness campaigns for mental health. Since then, it has spent \$100,000 in 2002-03, \$300,000 in 2003-04, and \$200,000 in 2004-05. Out of a budget of \$130 million for mental health, we have seen only a relatively small amount spent on awareness campaigns. More should be done and spent on awareness and prevention strategies. If the department has quality programs, it should be advertising them and making sure they are fully utilised. It should also be adopting programs that encourage preventative strategies so that we can avoid some of the more tragic results of mental illness. I want to finish with a quote from Dr Muir:

The social inclusion of mentally ill veterans can only be achieved if the veterans' illnesses are identified and sufficiently treated. Official recognition is a significant part of this process. While government policy has significantly changed over the last two decades with regard to the mental health of service personnel and veterans, it is still dominated by a history of parsimony and suspicion. Thus, the majority of mentally ill Australian war veterans receive neither compensation nor adequate treatment, and remain largely excluded from our society.

Her point is clear: we can do better, and we should do better.

Water Safety

Mr RICHARDSON (Kingston) (12.04 pm)—I rise today to bring to the attention of the House an appalling situation in my home state of South Australia. Following the very late release of the state budget by the South Australian Labor government, it was discovered in the small print that the state government was scrapping funding for swimming, aquatics and musical instrument programs in schools. After much lobbying and backlash, it was embarrassed into refunding the swimming program; however, the aquatics and music programs are still under review, and there is very real community concern that those programs will be scrapped.

Australia has one of the lowest drowning rates in the world. Given our vast and rugged coastline, that is a miraculous feat and one I credit largely to the water safety education provided to our young people in school. This is further reinforced by the high number of tourists who are victims of drowning at our beaches—tourists who do not have the benefit of swimming and aquatics programs in schools. For this reason, I joined with our local water education providers and together, through a large amount of public pressure, we were able to embarrass the state Labor government into refunding the swimming program. But we simply cannot ignore the fact that our aquatics and music programs are still under threat.

The small print of the state budget also revealed a massive cut to funding for PE programs in public schools, funding which was to be directed instead to the Premier's Challenge, a sporting program designed for gifted and talented students. In times when we hear so much about the cruel results of childhood obesity, how can the state Labor government cut funding

for students across the board simply to cater for a few who have the potential to become elite athletes?

What use is there in teaching our children about the great Australian spirit of mateship if they never get the opportunity to play in a team sport? What use is there in teaching our children about north, south, east and west if they never get the opportunity to read a map and use that skill in kayaking or orienteering? And how can we ignore music as a valuable part of a child's education? The Premier is quite happy to fund a program for potential elite athletes, but what about those with the potential to become great Australian musicians?

I have some very low socioeconomic areas in my electorate. For some of the children in those areas, the school-provided aquatics, sport and music programs are the only access they have to such activities. Their parents cannot afford swimming lessons or netball, basketball, soccer or footy club subs. We cannot deny the value to these children of the opportunity to participate in these activities. These programs have, for years, encouraged our children to understand the value of teamwork and a new skill. Those providing these education opportunities have developed and grown these programs to ensure they have evolved over time to enable our young people not just to be taught about the specific activity but also to be given some very valuable life lessons.

Once that experience and those programs are gone, that evolution is lost forever. For some young people who are not academically inclined, these programs can be their only incentive for attending school. I know that, in my electorate, getting some of those children to school is half the battle. For some of these children who are not naturally gifted in academic subjects, sports and music are their only opportunity to be the head of the class and feel like they are achieving in their education. This issue and these cuts are not just about whether or not kids get to go kayaking or learn the recorder but also about the other valuable and irreplaceable benefits that these programs provide.

The terrible tragedy about this situation is that we will never know or understand the real and widespread benefits of these programs until they are lost and we count the impact on our children and grandchildren. The saddest thing about these cuts is that they are being made to afford the massive blow-out in public service numbers. The state Labor government have been irresponsible. In bowing to their union mates and through complete inefficiency allowing the public service to grow by huge numbers, they are costing our children and grandchildren a proper education.

If Mr Rann and his Labor government are going to go ahead with these cuts, then I would like Mr Rann to go down to local schools in my electorate and explain to young people that they can no longer learn a musical instrument because he would like an extra admin assistant in the Department of the Premier and Cabinet, or explain to a class who no longer get to undertake aquatics that their program has been axed because he did not have enough media advisers. This is absolutely ridiculous. They no longer have anything to read and write about because they no longer get access to their basic— (*Time expired*)

Workplace Relations

Ms HALL (Shortland) (12.14 pm)—Last week in the adjournment debate in this chamber the member for Paterson launched a vicious attack on Gary Kennedy, secretary of the Newcastle Trades Hall Council. I now seek to set the record straight. Due to the ongoing decline in business, the Newcastle Panthers, formerly the Workers Club, looked at forming a joint venture partnership in the cleaning and catering area. This information was given to all catering staff and there was a meeting on 9 May this year at both the Newcastle and Cardiff clubs. Remaining staff were paid to attend this meeting and also to attend another meeting. The union, the LHMU, was present and the consultative committee, which was established on the same day, consisted of staff and union and non-union management.

The club needed to restructure and wanted to get between nine and 11 redundancies. The consultants worked with the consultative committee and called for expressions of interest. Twenty-nine expressions of interest were received and, despite the cost, the club decided that it would accept those expressions of interest. There were many long-serving members of staff who were allowed to exit the business. They wanted to go for various reasons. Two managerial positions disappeared, and they were forced redundancies. Two senior staff took packages, and in both cases they were subject to a deed of agreement. Every staff member who took a redundancy volunteered and was paid their full award entitlements. The process took place from 24 February until late July this year.

There was an agreement that the joint venture partners undertook to transfer employees on terms no less favourable than those on which they were currently employed. Prior to the date of the agreement, the club delivered on the JUP, a document setting out full details in respect of each transferring employee. The value of a proportion of their annual leave was transferred to a trust account and long service leave was treated similarly. Any change of employer contemplated by this agreement was not constituted as severance; it was constituted continuity of employment. The employees could transfer back to the club. It was quite a different picture to the one that was portrayed by the member for Paterson. It was a win-win situation for employees. Those who wanted redundancy took it and got absolutely everything that they were entitled to. Those who wanted to stay on were assured that their conditions would not decline.

These are the main points I would like to go over. This involved consultation in conjunction with the union. There was a consultative committee. The business was looking for between nine and 11 redundancies, and 29 staff members said they wanted to avail themselves of a redundancy package. All 29 were accepted for redundancy, at great cost to the club. Two staff members were made redundant with a package which was subject to a deed of agreement. All award wages and entitlements were paid to all staff. All but two senior staff members volunteered. No wage earners were forcibly made redundant. No workers were sacked or threatened with the sack, and 17 new positions were created, resulting in new staff and promotion for existing staff.

The questions for Mr Baldwin are: exactly which staff were not given the full entitlements as per the current award? Why is the member raising this matter in the parliament six months after it was dealt with? Is he willing to raise in parliament the names of the workers who were unfairly treated? Is he now willing to take on the real issue of workers in the Hunter who have been unfairly dismissed or forced to accept AWAs? Will he now support the same type of deal that was negotiated for the LHMU members who still work at Panthers, including transfer of

current award entitlements in transition of business, guarantee of award wages and conditions, safeguarding of worker employment entitlements and the right of return if the joint venture fails? Will he support any new worker who has an industrial problem? (*Time expired*)

Perth to Bunbury Highway

Mr RANDALL (Canning) (12.19 pm)—by leave—I rise today to speak on an issue that my electorate will know that I have spoken on many times in this House and certainly in the electorate, and that is the Perth to Bunbury highway. The Perth to Bunbury highway is one of the most essential pieces of infrastructure that Western Australia has been calling for for many years. In fact the transport minister in the Court government, Eric Charlton, had this road planned for 2005. Here we are, almost in 2007, and it has not begun yet.

I am pleased to report today that in today's *West Australian*, chief reporter Mark Drummond has a story which says that the state transport minister, Alannah MacTiernan, is finally about to sign off on this highway. This is great news for the electorate—not only the electorate of Canning but also the electorate of Forrest—and for all Western Australians. It also runs through the electorate of Brand, which I am sure the member for Brand would be interested in. This will see the completion of the Kwinana freeway to Mandurah, and it will see the Mandurah bypass through to the Preston Beach turn-off completed. It is some 70½ kilometres of dual carriageway.

I rise to speak about this because there has been so much said about this issue over a period of time. The federal government initially, after my strong representations, agreed to fund this road to the tune of \$150 million. Main Roads and the state minister had told us the road would cost \$300 million, so we agreed to do it fifty-fifty. Then a bidding war started at the last election. Martin Ferguson, as the shadow transport spokesman, went down with the then Labor candidate and said that they would put an extra \$20 million in to make sure that this happened. The Prime Minister quite rightly said that he would match that \$20 million to keep up the fifty-fifty component as long as it began by 2006. We had to have a 2006 starting date because the state minister was playing games about getting on and building this vital highway, which is essential not only for the infrastructure of the region but also for the environment and for the safety of motorists.

Interestingly, once the election was over, the state minister then started to come up with some fanciful figures, and we suddenly went from \$340 million to \$500 million. Today's announcement says that the project will be \$511 million—the largest road project in Western Australia. Thankfully, as part of the AusLink agreement with Western Australia, we wrote into that agreement not only the starting date but also the finishing date of 2009. Cars must travel on that dual carriageway by the end of 2009; otherwise our funding will be in jeopardy because it is contingent on that. Cleverly enough, we also wrote into that contract the fact that any further cost blow-outs would have to be met by the state. Given the record of the minister on the Perth to Mandurah rail line, which has blown out from around \$900 million to \$1.6 billion, we know that she has a track record of not finishing jobs on time or on budget. As a result, this contingency was to save the Commonwealth taxpayers a lot of money. We know Western Australia is flush with funds. It is the only state in Australia where they have a surplus—a \$2 billion surplus—so the state government is well and truly in a position to pay for extra road funding on a road which it is responsible for.

The federal government is very keen to partner this project. As I said, the southern alliance, which consists of Leighton Holdings and WA Limestone, now have to begin this road in 24 days. If they do not have machines in there by 31 December the \$20 million is in jeopardy. I understand that Leighton's were appointed earlier in the year to do this project, but the minister withdrew permission from them and she has taken until now to reinstate it. Her excuse is that she was waiting for Commonwealth environmental approval. This information did not reach the Commonwealth until October this year. It took 12 months to get this information to the Commonwealth, and you can see how quickly we turned it around when it reached here. Minister Campbell signed off on that on Monday. Just to show how sincere we are in getting on with this road, Minister Vaile signed off on it yesterday. It is great news for the electorate. It is great news for Western Australia that this vital piece of infrastructure will now be built on time and, hopefully, on budget. (*Time expired*)

Melbourne Ports Electorate

Mr DANBY (Melbourne Ports) (12.25 pm)—Next Tuesday, 12 December, will be the centenary of the 1906 federal election. At that election, James Mathews, a tailor from South Melbourne, was elected as the first Labor member for Melbourne Ports.

Mr Snowden—Jimmy.

Mr DANBY—Yes, Old Jimmy. Ever since, Melbourne Ports has elected Labor members in this House. Only two divisions, Newcastle and Melbourne, have a longer record of unbroken Labor representation. No coalition seat can match this record. After James Mathews came Ted Holloway, a great figure in the trade union movement in Melbourne and the man who beat Stanley Melbourne Bruce in Flinders in 1929—and it is interesting that the member for Flinders is here. Mr Holloway was subsequently the Minister for Health, Social Services and Labour in the Curtin and Chifley governments. After him came Frank Crean, Treasurer and Deputy Prime Minister of Australia in the Whitlam government. Frank is now 90, in poor health, and I want to acknowledge his lifetime of service to the Labor Party and the people of Melbourne Ports. After Frank came Clyde Holding, who was Minister for Aboriginal Affairs in the Hawke government and a former leader of the state opposition.

In 1998 I inherited—somewhat misusing that word—after a legendary preselection a long and proud Labor heritage in Melbourne Ports which I have maintained over the last three elections. For most of its history, Melbourne Ports has been a safe Labor seat, based on the working-class suburbs of Port Melbourne and Williamstown. Since 1969 the seat has moved progressively eastwards, losing Williamstown and taking in first St Kilda and Elwood and then in 1990 Caulfield, East St Kilda and Elsternwick and even parts of South Caulfield around the racecourse. These areas make the seat a lot less safe and it is now a marginal seat.

No doubt there are advantages to having a safe seat—as Martin Luther King said, 'Longevity has its place'—but representing a marginal seat has its advantages too. All through the three-year cycle I get out and sell Labor's values, policies and its record to the 90,000 constituents that I have. In these days in Melbourne Ports we have very diverse interests and communities. In going around the electorate I learn a lot about the people and what they are thinking and what concerns them. This is a challenge I enjoy, and I am looking forward to debating and defeating my fourth Liberal opponent next year.

As is well known, Melbourne Ports has Australia's largest Jewish community and, as any journalist, MP or academic knows, I represent their concerns here as forcefully as I can. We also have a substantial gay and lesbian community, whose rights and civil liberties I am very anxious to protect. Perhaps it is less well known that we now have Australia's largest number of migrants from the former Soviet Union, whose presence has brought new life and colour to our area. It is a great pleasure and privilege to represent such an area in this House. Melbourne Ports today spans a wide economic range. Many wealthy people live in the area, but there are still areas of disadvantage. That is why I was determined earlier this year to prevent the rumoured closure of the South Melbourne Centrelink office, which serves some 12,000 clients in the central and western parts of the seat. I am pleased to report that, for the second time, I was able to help the local community thwart such suggestions.

I want to take this opportunity to pay tribute to the hundreds of people in Melbourne Ports who have worked for many years to maintain the Labor tradition in the area. In the recent state election we were successful in defending the state seat of Prahran, partially in Melbourne Ports, held by my good friend Tony Lupton, against the 'two toffs from Toorak' who tried to win the seat with their gimmicky 'Vote Ted, vote Clem' campaign. It was good to see the solid Labor vote in East St Kilda giving Tony a well-deserved victory.

I have benefited greatly from the advice and counsel of Labor veterans like Senator Barney Cooney, Senator Ray and especially my good friend the Hon. Bunna Walsh—the former member for Albert Park and a Labor member for over 50 years who continues to work hard for the Labor cause—and from the dedication of rank and file members like Anne Cox, who, despite many burdens in her personal life, continues to work as a volunteer to help constituents with housing problems and devoted her time in the recent election campaign.

For 100 years Melbourne Ports has sent Labor members to this House. I am very proud to be the heir to this great tradition and I intend to see this maintained for many years to come.

Flinders Electorate: Seniors

Mr HUNT (Flinders—Parliamentary Secretary to the Minister for the Environment and Heritage) (12.29 pm)—As we approach Christmas, I want to take this opportunity to acknowledge the work of seniors within my electorate of Flinders and to point to some of their risks and vulnerabilities and the options available to them. There are over 32,000 people over the age of 60 in the electorate of Flinders. They make up a very high proportion of the electorate; in parts of the Mornington Peninsula—Dromana, Rosebud, Rye—the number is extremely high. These seniors have made an enormous contribution to Australia, so in their retirement they should be able to look not just to the government but also to the community for support.

I recognise a series of risks that many seniors on the Mornington Peninsula may face. Firstly, there is the risk of financial pressures, and that is a risk not just for seniors but also for families in isolated areas, particularly any that have a connection to the land, given that the Mornington Peninsula and Western Port have had their worst seven months of rainfall on record, according to the most recent figures from the Bureau of Meteorology. The second risk, for the many seniors who have lost a partner or are otherwise single, is the problem of loneliness. Loneliness at this time can be significant, real and powerful and it can eat away at individuals. It can be incredibly debilitating emotionally, physically and even psychologically.

These things can come together and it can be a dark, bleak time, despite the beauty of summer on the Mornington Peninsula.

Against that background, I want to encourage those people who may be suffering, whether financially or from loneliness and isolation, to seek assistance from some of the wonderful groups that we have on the peninsula who work with the disadvantaged, the poor and those who may have fallen inadvertently on hard times. In the Rosebud area, there is the magnificent Food for All, with the work of Diane Falconer, the Reverend Murray Morton and everyone else involved. They provide assistance in the lead-up to Christmas and at other times throughout the year.

Vinnies Kitchen, through Gil Mulling and the others involved with that, have provided low-income families and low-income seniors in the Rosebud-Rye-Dromana area with a constant supply of food throughout the year—hot meals guaranteed on the Rosebud foreshore. They do a tremendous job. If there are people in need, they should feel free to approach Vinnies Kitchen. They treat everybody with a great deal of respect and a great deal of gentle compassion.

Similarly, everybody involved at the Rosebud Senior Citizens Police Register does a tremendous job. They have over 4,000 people on the register. They do a series of things to help folks. They were established over 12 years ago. They are one of the largest senior citizens police registers in the state. They do things such as telephone all clients once a month as a courtesy call, make regular home visits, undertake security audits, send out newsletters three times a year and organise social events. They do a tremendous job and are a great point of networking and camaraderie for many seniors.

In addition, the Southern Peninsula Community Support and Information Service does a tremendous job in helping to provide support and comfort for residents on the southern peninsula who need it. I thank all of these groups. I similarly thank the Hastings Community Support and Information Service, sometimes known as the Hastings centre, which is run by Trudy Molloy and deals more with low-income families than with seniors; the Hastings Senior Citizens Police Register, which does a similar job to its counterpart in Rosebud and does it tremendously well; and the Hastings RSL, which is a very important point of connection—as is the Crib Point RSL—for veterans, who are in significant numbers in that part of the peninsula. It provides a strong base, a warm home and good information. I acknowledge all of those who are in need and I commend and thank all of those groups that help those in need on the peninsula. (*Time expired*)

Workplace Relations

Mr SNOWDON (Lingiari) (12.35 pm)—On 16 October the member for Leichhardt made a speech in which he attempted to justify his unwillingness to explain to his electorate why he supports the Howard government's extreme industrial relations laws. This matter has been brought to my attention by some concerned friends and citizens of North Queensland. We know the real reason why he, like so many other Liberal and National Party friends, colleagues and members of this chamber, is happy to do the bidding of the Prime Minister in Canberra and hide from the consequences in their own electorate. Nothing typifies this behaviour more than the industrial relations laws. Despite the parliamentary bluff and bluster, the reality is that the Liberal and National parties know that the industrial relations laws are a disaster for them. The independent e-commentary website Currumbin2Cook reported during the

Queensland election campaign, after its first focus group meeting in which voters were asked their views on various issues:

Some things stand out. There are two gorillas in the room that no-one is talking about. One is the federal IR laws...

This was posted by Graham Young, a former vice-president and campaign chairman of the Queensland Liberal Party. Another post said:

Right from the start it was clear that it was a vote-changer. Opposition to Work Choices was shifting votes to Labor and holding votes that Labor would otherwise have lost on state issues.

This is why the member for Leichhardt is hiding from the voters of his electorate—or maybe he is just too busy. I note that in September he accepted an appointment to the board of the listed Cairns based property group CEC. In the speech I referred to, the member for Leichhardt made a number of claims about the Leichhardt union campaign to debate the laws. He said:

I have been challenged to debate the new IR laws at times when it was known that I would not be in town.

In November 2005 he was asked to speak at a National Day of Action rally at his office in Cairns. His staff told organisers, and he himself has stated publicly, that he was not in. We know that he was in his office in a meeting with the member for Dawson. The member for Leichhardt's staff also denied that he was in town during a rally in August of this year. He was up the road having lunch at Raintrees Tavern. He also said:

More recently, a so-called invitation demanding that I attend at a certain time and place turned up at my office without so much as a return contact number for RSVP purposes.

The fact is that the invitation was sent to the member for Leichhardt by email with the name and details of the sender. It was faxed and it was sent by registered post. He also says he asked Ergon Energy to investigate a number of complaints against the participation of Ergon workers in the Cairns Your Rights at Work campaign. The member for Leichhardt stated that Ergon could find no evidence to support his:

... claims of inappropriate use of Ergon assets for union activity despite being forwarded a resolution from an ETU meeting that was sent to me by union steward Stewart Trail during work hours from his Ergon email account.

The Ergon certified agreement contains a provision for the union delegate to allow him access to work on computers and email for union business. Has Work Choices got to the stage where an employee cannot use an employer's computer even when it is part of an agreed certified agreement? The member for Leichhardt also stated:

My office also has provided ... photographic evidence of the activity of their employees which included the photograph of 42 Ergon Energy vehicles ... during an ETU protest rally outside my electorate office in August.

I am told that the entire Ergon fleet in McLeod Street, Cairns, is 42. On the day of the rally there were some Ergon vehicles in the member for Leichhardt's street but nowhere near the 42, and they were parked away from the member for Leichhardt's office. These are workers who start and finish on site and as a consequence were having their lunch and parked their vehicles to attend the rally. This again is permissible under the Ergon EBA.

The distortions, deceptions, half-truths and unsubstantiated allegations contained in the speech by the member for Leichhardt are typical of the approach of the Howard government to industrial relations. The fact is that the Howard government's industrial relations laws are indefensible and that is why the member for Leichhardt remains in hiding from those who elected him. I say to the member for Leichhardt: the people who have contacted me about this are very concerned citizens. They are concerned about him. They are concerned about his need to make sure he communicates with them and stands up for his government's industrial relations laws. He has failed to do so and yet he has come into this chamber and made excuses as to why he has not. They appear to be, on the surface at least, excuses which when put to the test do not stand up. There are two sides to the story and I am giving the alternate side—the one the member failed to give when he addressed this parliament.

McPherson Electorate: Needle and Syringe Program

Mrs MAY (McPherson) (12.39 pm)—There have been concerns raised by residents of Palm Beach regarding a proposed needle and syringe program to be set up at Palm Beach Community Health Service, and the concerns are certainly understandable. But today I would like to put on the record why such a program is necessary—why it is needed and why governments, both state and federal, would be negligent in their duty of care to residents if this type of service was not available.

Some of the comments being made with regard to the proposed service are: 'It will attract drug addicts to the area', 'The service will only add to the crime spree the suburb has been grappling with', 'The service is going to attract undesirable activity', 'A needle exchange says, "Hey, come on in and do drugs here."' As I said, I can understand these sentiments being expressed, but I think it is important that residents understand what this proposed service will offer to those people using illicit drugs and how the service will in fact protect our community. The NSP is part of Australia's National Drug Strategy, which is widely recognised as one of the most progressive and respected drug strategies in the world. An evaluation of the strategy showed that the harm minimisation approach was fundamental to its ongoing success.

The 2003-04 federal budget allocated \$38.7 million over four years for the continuation of funding under the COAG illicit drug diversion supporting measures relating to needle and syringe programs for 2003-07: \$35.1 million of the funding is provided to states and territories, with the remaining \$3.6 million managed by the partnerships and treatment section for national activities. An additional \$9.4 million has been allocated to extend the program until 2008. NSP is an important public health measure which aims to prevent the spread of HIV and other blood-borne diseases such as hepatitis C. The NSP provides sterile injecting equipment, education and information on reducing drug use and referral to drug treatment, medical care and legal and social services. Staff may also provide condoms and safe sex education.

While the Australian government in no way condones the use of illicit drugs, the re-use and sharing of syringes can result in the spread of many infectious diseases, in particular HIV-AIDS and hepatitis B and C. The larger the pool of people carrying these diseases within the injecting drug population, the greater the risk of transmission to the general population. Any barriers, including cost barriers, which make it more difficult for illicit drug users to obtain syringes increase the risk of transmission of these infectious diseases. Therefore, the free supply of needles and syringes to injecting drug users is a public health measure. I agree with residents: it is a controversial measure. It causes debate around the possible adverse effects

the program may have on a community. Unfortunately, it is a public health measure that benefits Australian communities against the spread of infectious diseases.

Research has found that the needle and syringe program has fundamentally altered the course of Australia's HIV epidemic. If these programs were not available I wonder how many needle-stick injuries we would once again be hearing about. Where would the users of illicit drugs leave their used syringes—on our beaches, in our parks, on our streets, in our schools, bus shelters and shopping centres?

I put to the residents of Palm Beach that if this service was not available we would run the risk of people in our community coming in contact with contaminated waste that could be highly infectious. The reality is we already have in our community people using illicit drugs. The proposed needle exchange program is not going to attract drug addicts. Unfortunately, the reality is they are already in our community. There is no point burying our heads in the sand and pretending we do not have the same problem with illicit drug use that other communities have. What we need to do as a community is to ensure we have the services and education available to minimise the impact on the community.

I do not—and I repeat, I do not—condone the use of illicit drugs. I fully support the coalition Tough on Drugs policy. Through that policy I am aware that a proactive approach is needed to counteract the very serious problem of the re-use and sharing of syringes which can result in the spread of many infectious diseases. I am not about destroying our beautiful beachside suburb; I am, however, about protecting children and their families. I do not want to see any more needle-stick injuries. I am about working with my community to ensure we have the most appropriate service in the most appropriate location to deal with the increasing population. I too take pride in my local area and do not want to see its image maligned, but I am realistic.

For some people, personal beliefs and values shape their attitudes towards health interventions. However, there is overwhelming evidence that increasing the availability and utilisation of sterile injecting equipment to injecting drug users contributes substantially to reduction in HIV transmission. There is no convincing evidence of major unintended negative consequences of such programs. I hope as a community we can all work together to ensure this service is delivered in the most appropriate way.

Pearl Harbor

Mr GRIFFIN (Bruce) (12.45 pm)—I would like to speak briefly today regarding the date, which is 7 December. It is the 65th anniversary of the attack on Pearl Harbor by the Japanese in 1941. Pearl Harbor was the event which led to the entry into World War II of the Americans. It was a turning point in the war, a day which was described by the then President of the United States, President Roosevelt, as 'a day of infamy'. It was a time when over 2,300 military and 68 civilians were killed, over 1,100 military and 35 civilians were wounded, four battleships were sunk, four battleships were damaged, three cruisers were damaged, three destroyers were sunk and two other ships were sunk. It was a catastrophic attack. It unleashed the might of America into World War II, and in that respect it was a turning point. It is a time that we in Australia remember as being the commencement in many ways of the alliance with the Americans, and there have been a number of engagements since.

I had the privilege last year of going to Pearl Harbor to commemorate the 60th anniversary of Victory in the Pacific as part of a mission which involved the former minister, some 20 veterans and other representatives of the ex-service community. It was a very important time to go and see some of those very important historical sites but also to gain an understanding of what many of the veterans had been through. It was a very representative group. It went across all the services. There was a war widow and an army nurse. It was a great privilege, as I said, talking to those veterans about their experiences, where they were able to talk about them as sometimes it was a bit difficult. They were a very mixed group and a lot of fun to be with. It was certainly a great privilege to spend that time with them last year, for those few days. The highlight was the commemorative ceremony on the USS *Missouri* at Pearl Harbor. The *Missouri* was of course where, some 60 years earlier, the Japanese signed the surrender on the deck. As I said, it was an interesting time to be there with those veterans.

I will go through some of the experiences that those ladies and gentlemen had been through. Max Gilbert had been on Ambon with Gull Force and had become a prisoner of war. John Lemcke, from Caboolture, in Queensland, had been operating Beaufort bombers. Frankie McGovern, from New South Wales, had been on the *Perth*, which had the misfortune to be sunk in the battle of the Sunda Strait along with the USS *Houston*. He was then captured and later, after being taken on a ship to Japan, was sunk again and then recaptured. So he had a very tough time of it. Frankie also lost his elder brother on the *Perth*.

Jim Short was a representative of the merchant navy, and we all know the great work that the merchant marines did in that time, often at risk of sinking by enemy submarines or attack by bombers. Charles Edwards had a very interesting story. He did a lot of media back to Australia to highlight what was occurring on the 60th anniversary of the end of World War II. He was a POW as well. In fact, he was working in a bakery at a POW camp in Japan, just a few miles from Hiroshima, and was awake at the time of the bomb going off. He told quite a haunting tale of his experiences with respect to that particular time.

Hugh Eadie fought at Sanananda. Alex Cumming flew Catalina flying boats, Harold Ogilvie, from Tasmania, worked in radar. Les Cook, from the ACT, fought at Balikpapan, in Borneo. Greg Rosman was with the RAF. Ronald Scott was in the Army through 1943 to 1947. Jack Storey was from Bendigo and was a schoolteacher. He fought in the RAF from 1940 to 1945. I mentioned that there was a representative from the war widows there, Norma Allen. She was a very interesting lady to have a talk to. Jean Brown was there from the Army Nursing Service. There were a number of other veterans there: George Churchward, Fred Anderson, Cedric Wells and George Willrath. All of them had interesting stories to tell about their experiences at a time which was very important to Australia, a time that we need to remember for the sacrifice of that generation and a time when we really needed them. (*Time expired*)

Moncrieff Electorate: High-Impact Tower

Mr CIOBO (Moncrieff) (12.50 pm)—Recently I was contacted by residents of Carabella Court at Mermaid Waters. These residents contacted me with concerns that they had about a recently erected 25-metre high-impact tower for telecommunications facilities. When they contacted me, I promised them that I would travel down to meet with them, listen to their concerns and act upon their concerns. I had the distinct pleasure only a couple of weeks ago of meeting with them to talk about this tower. I viewed it myself and saw the kind of visual impact it has. I must say that I share the concerns of not only the residents of Carabella Court but

residents from surrounding streets as well. All of these residents are now faced with a 25-metre high-impact tower located—in the instance of two particular residents—literally within 10 metres of bedrooms of residential houses.

The question must be asked: why is it that a 25-metre high-impact tower is allowed to be built on a site like this? Residents informed me when I met with them that the site had previously contained a 15-metre tall tower. That tower had been in place from 1995 through to 2006. However, the first that residents of Carabella Court and its surrounding streets knew of the actual installation and erection of this new 25-metre tall tower was the day that it was actually put in place. With the exception of two homes on either side of the crown land that currently houses the 25-metre high-impact tower, no-one else in that street or surrounding streets was advised by council, or anybody else, that a 25-metre tall tower would be installed.

Understandably, residents are greatly concerned about two key issues. The first is the impact this 25-metre tall tower will have on residential property values. The second and certainly understandable concern they have is the potential adverse health effects that may flow from having such a significant tower with so many telephone cells on top of it so close to residential housing. I indicated to residents that met with me on the day—and there were probably about 35 residents that came out to talk to me—that I would pursue both of these matters on their behalf, and I have done just that.

Just yesterday I had the opportunity to speak with Senator the Hon. Helen Coonan, the Minister for Communications, Information Technology and the Arts, and also to explore this issue in more detail with her advisers. What I uncovered is that as this is a high-impact tower, it required the approval of the Gold Coast City Council, through a planning committee, before it could be built. The federal government does have jurisdiction over low-impact facilities and low-impact towers, but this is not a low-impact tower; this is a high-impact tower. As such, it required council approval in order to be constructed.

So I can say to all residents of Carabella Court and all residents of the surrounding streets that are concerned by this that I absolutely will be pursuing this matter with great vigour with their local area councillor, Councillor Jan Grew, the councillor for division 11, and with the Mayor of the Gold Coast City Council, to find out how it can possibly be justified that a 25-metre high-impact tower should be constructed so close to residences and be constructed without any real consultation, so I am informed, with local residents.

The second issue was the concerns that residents have over any potential adverse health impact as a result of the tower. I am informed by Senator Coonan's office that electromagnetic emission reports that have been taken at the tower show that there is, fortunately, a very low level, of 0.72 per cent of the Australian Radiation Protection and Nuclear Safety Agency standard, being emitted from the tower. So less than one per cent of the acceptable standard of radiation is being emitted. I am sure that is welcome news to residents that live nearby. Nonetheless there are questions that must be asked. Why is it that the council permitted this tower to be built? Why is it that council did not consult local residents about the impact of this 25-metre tower? Why is it that now we are forced to retrospectively try to seek an answer to these questions? I pledge to residents of Carabella Court and surrounding streets that I will explore all of these questions thoroughly. (*Time expired*).

Petrie Electorate: School Funding

Ms GAMBARO (Petrie—Parliamentary Secretary (Foreign Affairs)) (12.55 pm)—I would like to speak today on a very important development in education in the Petrie electorate. Thanks to a major contribution of more than \$1 million from the Australian government capital infrastructure grants, students in the electorate of Petrie will benefit from a range of developments and purchases in the new year. And thanks to the Parliamentary Secretary to the Minister for Education, Science and Training, the Hon. Pat Farmer, and the Minister for Education, Science and Training, the Hon. Julie Bishop, the government's Investing in Our Schools funding program will provide improved facilities for students in my electorate.

I had the pleasure of informing and congratulating 11 schools in the Petrie electorate that their applications to furnish, upgrade, improve or provide for their students have been approved. Redcliffe Special School will receive \$85,010 to purchase a bus for their school transport needs. Bracken Ridge State School will receive \$119,739, which means they can start progress on three projects which involve erecting shade structures for the students. Bracken Ridge State High will continue to purchase classroom furniture with their grant and Hercules Road State High will fit out their new community venue with curtains and a data projector. They will allow students to put on wonderful and professional performances for parents and the wider community. I want to put on record my appreciation to Principal Geoffrey Rose. I know that he is looking forward to opening up his school for wider artistic concerts and benefits.

Down at Aspley, the Aspley State School received \$138,130 for the construction of a canteen. I know that they will provide very good, healthy food for their students. North Lakes State School received three grants totalling \$118,941 for the purchase of computer and playground equipment. College Director Mark Campling has informed me that this will go towards the purchase of a cricket pitch. So we may see some new additions to the Australian cricket team in the future as a result of this great school funding.

Clontarf Beach State High School will put \$150,000 towards their music and drama facilities for the benefit of their students. Humpybong State School received \$49,130 for the purchase of computer equipment. I would like to place on record that Humpybong is the oldest state school on the Redcliffe Peninsula. Norris Road State School received two government grants totalling \$116,960 for construction and purchase of computer equipment, and Stafford Heights State School received \$38,519 to help improve the school grounds for the students.

Most importantly of all, a school that does a very good job, Woody Point Special School—and I want to place on record my tribute to the parents and teachers—received \$149,052 to construct kitchen facilities for the students. Principal Bruce Hartshorn was very appreciative, as are many of his students who require very special dietary foods. Those new kitchen facilities will provide that. Now two classrooms will share one kitchenette instead of a whole school accessing one communal kitchen.

All of these grants will improve the quality of the education facilities in my electorate. I am very grateful to this government for providing this wonderful support to staff and students through regular upgrades. The Investing in Our Schools program recognises the importance of providing schools with facilities that will enhance the education and wellbeing of students. The program will provide some \$700 million over the life of the initiative to fund state school capital projects that have been identified and prioritised by local school communities.

I also want to place on record my sincere appreciation and thanks for all of the P&C committees of the schools I have mentioned. They work tirelessly and are incredible people. They put in so much time and effort, and many parents continue in P&C positions well after their children have left school. So I would like to take this opportunity to wish all of the principals, teachers, P&C committee members, students and families from the electorate a happy and safe holiday.

Question agreed to.

Main Committee adjourned at 1 pm, until Wednesday, 7 February 2007, at 9.30 am, unless in accordance with standing order 186 an alternative date or time is fixed.

QUESTIONS IN WRITING**KPMG Review****(Question No. 3173)**

Mr Georganas asked the Minister representing the Minister for Communications, Information Technology and the Arts, in writing, on 27 March 2006:

- (1) Will the Minister release KPMG's Funding Adequacy and Efficiency Review on the ABC to the public; if not, why not.
- (2) What sum was paid for the review and was it paid by the ABC.
- (3) Will the review be used to inform funding decisions for the ABC in this year's budget.

Mr McGauran—The Minister for Communications, Information Technology and the Arts has provided the following answer to the honourable member's question:

- (1) The KPMG Review was prepared for consideration by the Government as part of the Budget process and contains a substantial amount of commercially sensitive information on the ABC's internal operations.
- (2) The total cost of the review was \$417,000. This sum was paid by the Government.
- (3) The review's findings were taken into account in the Government's 2006-07 Budget deliberations.

KPMG Review**(Question No. 3507)**

Mr Murphy asked the Minister representing the Minister for Communications, Information Technology and the Arts, in writing, on 22 May 2006:

- (1) Did the Government commission the accounting firm KPMG to investigate the Australian Broadcasting Commission's (ABC's) efficiency and the adequacy of its funding; if so, what were the review's findings.
- (2) Will the Minister make the KPMG review public; if not, why not.
- (3) Was the KPMG Funding Adequacy and Efficiency Review used in the preparation of the triennial funding package for the ABC announced in this year's budget; if not, why not.
- (4) Can the Minister confirm reports that the KPMG Funding Adequacy and Efficiency Review recommended an increase in the ABC's budget of \$125 million over three years.
- (5) How does the Minister reconcile the apparent conflict between funding advice provided by KPMG and the triennial funding package announced by the Government in the 2006-2007 budget.

Mr McGauran—The Minister for Communications, Information Technology and the Arts has provided the following answer to the honourable member's question:

- (1) to (5) During the 2004 election the Government committed to reviewing the adequacy of the ABC's funding and the efficiency of its use. KPMG were engaged to conduct the review.

The KPMG Review was prepared for consideration by the Government as part of the Budget process and contains a substantial amount of commercially sensitive information on the ABC's internal operations.

The Minister will consider releasing an appropriate version of the Review report, but no decision has been made about this.

Veterans' Affairs: Office Space**(Question No. 4602)**

Mr Kelvin Thomson asked the Minister for Veterans' Affairs, in writing, on 14 September 2006:

- (1) At 12 September 2006, what office space rented by the Minister's department was vacant.
- (2) In respect of vacant office space identified in Part (a), (a) from what date has it been vacant, (b) how long will it remain vacant; (c) what is the monthly rental cost and (c) how long will the department continue to pay rental.

Mr Billson—The answer to the honourable member's question is as follows:

- (1) Nil.
- (2) Not Applicable.

Information Technology Divisions**(Question No. 4725)**

Ms Kate Ellis asked the Minister representing the Minister for Communications, Information Technology and the Arts, in writing, on 10 October 2006:

- (1) How many Government departments have relocated their information technology divisions offshore in the past 12 months.
- (2) What plans, if any, does the Government have to relocate other departments offshore.

Mr McGauran—The Minister for Communications, Information Technology and the Arts has provided the following answer to the honourable member's question:

- (1) The Department of Communications, Information Technology and the Arts (DCITA) does not hold information regarding other departments information technology service provision arrangements. Each Minister would need to be approached to obtain the requested information. In relation to DCITA, no information technology areas have been relocated offshore.
- (2) DCITA does not hold information regarding other departments plans for information technology service provision. Each Minister would need to be approached to obtain the requested information. In relation to DCITA, there are no plans to relocated its information technology area offshore.

Office of Small Business**(Question No. 4751)**

Mr Bowen asked the Minister for Small Business and Tourism, in writing, on 11 October 2006:

- (1) What role does the Office of Small Business play in the supervision of the federal Government's 30 day payment policy to small business.
- (2) Does the Office of Small Business monitor each federal Government department and agency to ensure compliance with the 30 day payment policy; if so, how often.
- (3) How are government departments and agencies required to report to the Office of Small Business.
- (4) For (a) 2004-05 and (b) 2005-06, what was the small business payment performance data, in terms of compliance with the 30 day payment policy for each Commonwealth Government (i) department and (ii) agency.
- (5) For (a) 2004-05 and (b) 2005-06, what action, if any, has the Office of Small Business taken to improve the payment performance of each Commonwealth Government (i) department and (ii) agency.

Fran Bailey—The answer to the honourable member's questions is as follows:

- (1) The Office of Small Business (OSB) within the Department of Industry, Tourism and Resources (DITR) has responsibility for conducting an annual survey of the performance of Financial Management and Accountability Act 1997 agencies' in relation to the Australian Government's 30 Day Payment Policy for small business procurement. In addition the OSB is responsible for seeking an explanation from any department or agency for underperformance in relation to the policy and their activities and plans to improve their payment performance.

Previously from the period 1 January 2002 to 31 December 2005 the OSB conducted bi-annual surveys to monitor compliance with the 30 day payment policy. As a result of significant improvements in compliance and as part of the Government's Red Tape Reduction initiatives, reporting requirements have been reduced from bi-annually to annually.

- (2) The OSB in DITR monitors Financial Management and Accountability Act 1997 agencies. The OSB is currently in the process of moving compliance monitoring from bi-annual to annual.
- (3) The OSB in DITR provides contacts in the relevant departments and agencies with survey instructions and the survey. The departments and agencies provide their response back to the OSB for data collection, collation and reporting.
- (4) Table 1 overleaf shows the percentage of correctly rendered invoices (by number) paid within the 30 day payment period for each agency in scope for the last three survey periods.

Explanatory notes

The survey reports on correctly rendered invoices for goods and services to specification received during the survey period for non-administered payments up to and including \$5 million.

Data for most agencies is for all payments – i.e. agency systems are not always able to identify Small to Medium Enterprises.

Although payments to government agencies were excluded from the scope of the survey in 2003, some agencies are unable to separately identify these payments.

- (5) In previous years, the role of the OSB has been confined to undertaking payment surveys of the Financial Management and Accountability Act 1997 agencies in relation to the Australian Government's 30 day payment policy and reporting the results to the Parliamentary Secretary to the Minister of Finance and Administration.

As part of the Government's Red Tape Reduction Initiatives, the role of OSB has been extended to provide OSB with the opportunity to take direct action towards improving government payment performance.

After the conduct and analysis of the next survey to monitor compliance with the 30 day payment policy OSB will write to any under performing departments and agencies seeking an explanation from any department or agency for underperformance as well as their activities and plans to improve their payment performance.

Table 1: Departments and agencies performance, July 04 – Dec 04, Jan 05 – June 05, July 05 – Dec 05

Agency (sorted alphabetically by portfolio)	July- Dec 04	Jan- June 05	July- Dec 05
Attorney General's Department ¹	82.9	86.5	83.6
Australian Customs Service	94.5	90.1	92.6
Australian Federal Police	95.9	92.7	92.7
Family Court of Australia	91.2	96.5	98.2
Department of Agriculture, Fisheries and Forestry	99.5	99.7	99.7

Agency (sorted alphabetically by portfolio)	July- Dec 04	Jan- June 05	July- Dec 05
Department of Communications, Information Technology and the Arts ²	96.7	93.7	95.3
National Archives of Australia	99.8	99.7	99.9
Department of Defence ³	87.6	85.8	86.4
Department of Education, Science and Training	96.0	99.6	99.3
Australian Research Council	99.8	99.4	99.7
Department of Employment and Workplace Relations	99.3	99.0	99.0
Department of Environment and Heritage	90.3	94.2	95.2
Greenhouse Office	n.a.	n.a.	n.a.
Bureau of Meteorology	92.8	91.6	92.4
Department of Families, Community Services and Indigenous Affairs	86.8	76.5	99.7
Social Security Appeals Tribunal	100.0	100.0	100.0
Department of Finance and Administration	97.0	96.9	97.3
Australian Electoral Commission	86.3	92.5	93.0
Department of Health and Ageing	91.6	84.0	91.8
Department of Foreign Affairs and Trade	90.2	91.1	91.9
Department of Human Services	n.a.	95.1	96.9
Centrelink ⁴	90.2	87.7	85.9
Child Support Agency	99.9	100.0	100.0
Department of Immigration and Multicultural Affairs ⁵	92.4	92.1	79.0
Department of Industry, Tourism and Resources	97.9	98.2	99.6
Department of Prime Minister and Cabinet	94.5	96.6	97.4
Department of Transport and Regional Services	96.8	96.6	97.4
National Capital Authority	86.3	90.5	96.0
Department of Treasury	98.4	98.0	98.8
Australian Bureau of Statistics ⁶	91.1	91.4	93.5
Australian Taxation Office	94.8	93.5	93.9
Department of Veterans' Affairs	94.8	95.8	95.2

Footnotes:

¹ Attorney General's Department

The Attorney-General's Department has been actively pursuing a number of measures to improve the payment performance of the Department. These include improved internal reporting, increased use of credit cards, an internal audit of the accounts processing function including benchmarking against other Commonwealth agencies and ongoing internal assessments of business practices and processes to identify efficiencies and process improvements.

² Department of Communications, Information Technology and the Arts

DCITA has implemented a field in its financial management system to identify small and medium/large suppliers. Reporting from January 2005 is based only on payments to small business.

³ Department of Defence

Defence recognises the need to ensure due date performance for payments to small business is at or above government benchmarks. To this end, the department has committed to a sustained focus on achieving and maintaining this position through a range of measures, namely:

- Improved staff training;
- Streamlined business processes;

- Supporting vendors to facilitate the payment process;
- Increasing the use of credit cards as a means of payment; and
- Enhanced monitoring of payment performance.

⁴Centrelink

Centrelink considers its performance against this Key Performance Indicator (KPI) is understated for 2005 due to a system problem whereby the entry in the 'invoice due date' field was incorrectly calculated. For each of the reporting periods in 2005 the correct figure would have been higher than 90%. The system problem has now been addressed and as a result the reported KPI performance has improved for 2006.

⁵Department of Immigration and Multicultural Affairs

Over the past 18 months, across the 2004-05 and 2005-06 financial years, DIMA has undergone a significant reform programme to address issues identified in reviews of the department's operations undertaken by Mr Mick Palmer and Mr Neil Comrie. This reform has led to changes in structure, processes and procedures in a number of areas. Two of these – detention and IT - cover the major contracts managed by the department.

The degree of change has led, to some extent, to delays in the administration of accounts payment. Given the structural reform process currently underway, it is expected that performance in this area will improve during the first half of 2006/07 as the new arrangements are fully implemented. Early indications are showing that, while there was some short term impact on the terms of trade, the trend is now correcting and the department will be back within tolerance by the end of the 2006 calendar year.

In addition, DIMA has been required to work closely with suppliers to correct disputed invoices. The negotiation process around this has contributed to some delays as DIMA has sought to balance quality and timeliness, ensuring that all payments for services rendered are accurate.”

⁶Australian Bureau of Statistics

The figures presented by the ABS understate actual performance as the determination of the payment timeframe is based upon the suppliers invoice date, not from agreement of a valid invoice, which in some cases is not the same thing (e.g. dispute over the goods and or services).

Government Information: Unauthorised Leaking
(Question No. 4777)

Mr Kelvin Thomson asked the Minister representing the Minister for Justice and Customs, in writing, on 16 October 2006:

- (1) In respect of the unauthorised leaking of government information by members of the Australian Public Service, for each calendar year 2002-2006, will the Minister provide the number of:
 - (a) suspected leaks communicated to the AFP for potential investigation, irrespective of whether the instances were accepted by the AFP for investigation;
 - (b) visits made to departments and agencies by AFP officers in response to requests relating to suspected leaks, including (i) the name of each department and agency visited and (ii) the date upon which each visit took place; and
 - (c) (i) phone calls, (ii) letters and (iii) emails received by the AFP from departments and agencies in respect of separate leak incidents.

Mr Ruddock—The Minister for Justice and Customs has provided the following answer to the honourable member's question:

- (1) (a) There were 53 referrals from Departments / Agencies relating to unlawful disclosure which were referred to the AFP over the previous five years. This number is broken down by year in the following table;

DEPARTMENT / AGENCY	2002	2003	2004	2005	2006
Aboriginal and Torres Strait Islander Services		1			
Attorney-Generals Department	1			1	
Australian Broadcasting Authority			1		
Australian Customs Service			1	1	
AFP Internal Referral					1
Australian Security Intelligence Organisation			1		
Australian and Torres Strait Islander Commission		1			
Building Industry Royal Commission	1				
Civil Aviation Safety Authority	1		1		
COLE Enquiry					1
Commonwealth Director of Public Prosecutions	1			1	
Commonwealth Superannuation Administration			1		
Crime and Misconduct Commission		1			
Defence Security Authority			1		
Department of Communications, Information Technology and the Arts	1				
Department of Defence	1				
Department of Employment and Workplace Relations	1	1		1	
Department of Finance and Administration	1		2	1	
Department of Foreign Affairs and Trade		1			1
Department of Health and Aged Care		1			
Department of Immigration and Multicultural Affairs		2		3	1
Department of Prime Minister and Cabinet	1		2		1
Department of Transport and Regional Services		1			
Department of Veteran's Affairs			1		
National Gallery of Australia		1			
Office of Indigenous Policy and Coordination				1	1
Office of National Assessments	1	2			1
Office of Police Integrity				1	
Senator Sue Knowles office		1			
Victoria Police			1		
Western Australia Police					1
TOTAL:	10	13	12	10	8

- (b) The AFP does not retain automated records which can be interrogated under the search-strings nominated. Manual retrieval of this data would be onerous and would divert operational resources from priority investigations.
- (c) The AFP does not retain automated records which can be interrogated under the search-strings nominated. Manual retrieval of this data would be onerous and would divert operational resources from priority investigations.

Freedom of Information**(Question No. 4843)**

Mr Kelvin Thomson asked the Minister for Foreign Affairs, in writing, on 31 October 2006:

- (1) Can he confirm that the following part of a Key Issues memorandum which stated that: “Note that the nature of any post-Saddam transition arrangements in Iraq has yet to be determined. Australia favours significant UN involvement; this would, inter alia, help ensure the transparency of purchasing decisions. Australian personnel could be seconded to some of the UN branches—for example, the Office for Coordination of Humanitarian Affairs—involved in aid procurement and coordination.” and which was provided to him by his department for a meeting with Mr Andrew Lindberg at his electorate office on 20 January 2003, was exempted from disclosure in response to my Freedom of Information request, under s36(1) of the Freedom of Information Act 1982.
- (2) In respect of the Key Issues memorandum referred to in Part (1), (a) was it exempted under the Freedom of Information Act 1982 because its release was considered to be contrary to public interest; if so, (a) on what basis was public interest assessed in relation to this consideration and (b) when and by whom was the memorandum prepared.
- (3) In respect of his meeting with Mr Lindberg on 20 January 2003, did he (a) inform Mr. Lindberg of the Key Issues listed in the memorandum, (b) discuss the issue of the post-Saddam transition arrangements, (c) discuss the secondment of Australian personnel to the post-Saddam administration and (d) discuss the secondment of Australian Wheat Board personnel to the post-Saddam administration.

Mr Downer—The answer to the honourable member’s question is as follows:

- (1) A decision was made in accordance with the Freedom of Information Act 1982. It is not appropriate to comment on whether particular material was exempted as this would defeat the purpose of the exemptions under the Act.
- (2) (a) The schedules provided to Mr Thomson in response to his request under the Freedom of Information Act 1982 provide reasons for any exemptions. (b) I have nothing further to add to the material already released to Mr Thomson.
- (3) In response to his request under the Freedom of Information Act 1982, Mr Thomson received a copy of a record of this meeting.