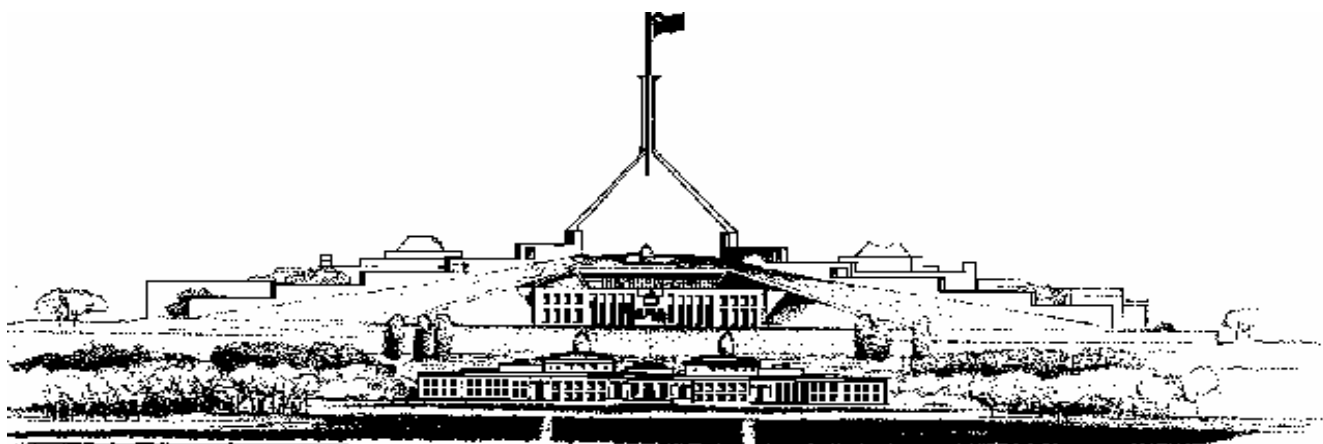




COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



House of Representatives

Official Hansard

No. 6, 2007

Wednesday, 9 May 2007

FORTY-FIRST PARLIAMENT
FIRST SESSION—NINTH PERIOD

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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SITTING DAYS—2007

Month	Date
February	6, 7, 8, 12, 13, 14, 15, 26, 27, 28
March	1, 20, 21, 22, 26, 27, 28, 29
May	8, 9, 10, 21, 22, 23, 24, 28, 29, 30, 31
June	12, 13, 14, 18, 19, 20, 21
August	7, 8, 9, 13, 14, 15, 16
September	10, 11, 12, 13, 17, 18, 19, 20
October	15, 16, 17, 18, 22, 23, 24, 25
November	12, 13, 14, 15, 26, 27, 28, 29
December	3, 4, 5, 6

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

Governor-General

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

House of Representatives Officeholders

Speaker—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, Ms Ann Kathleen Corcoran, Mr Barry Wayne Haase, Mr Michael John Hatton, the Hon. Duncan James Colquhoun Kerr SC, Mr Harry Vernon Quick, the Hon. Bruce Craig Scott, Mr Patrick Damien Secker, 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—Mr Anthony Norman Albanese MP

Deputy Manager of Opposition Business—Mr Robert Francis McMullan 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
Fitzgibbon, Joel Andrew	Hunter, NSW	ALP

Members of the House of Representatives

Member	Division	Party
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, Hon. 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
McGauran, Hon. Peter John	Gippsland, Vic	Nats

Members of the House of Representatives

Member	Division	Party
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, Hon. 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
Vamvakinou, Maria	Calwell, Vic	ALP
Vasta, Ross Xavier	Bonner, Qld	LP

Members of the House of Representatives

Member	Division	Party
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 Citizenship	The Hon. Kevin James Andrews MP
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 Rela- tions and Minister Assisting the Prime Minister for the Public Service	The Hon. Joseph Benedict Hockey MP
Minister for Communications, Information Tech- nology and the Arts and Deputy Leader of the Government in the Senate	Senator the Hon. Helen Lloyd Coonan
Minister for the Environment and Water Resources	The Hon. Malcolm Bligh Turnbull MP
Minister for Human Services	Senator the Hon. Christopher Martin Ellison

(The above ministers constitute the cabinet)

HOWARD MINISTRY—*continued*

Minister for Fisheries, Forestry and Conservation and Manager of Government Business in the Senate	Senator the Hon. Eric Abetz
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 Revenue and Assistant Treasurer	The Hon. Peter Craig Dutton MP
Minister for Workforce Participation	The Hon. Dr Sharman Nancy Stone MP
Minister for Veterans' Affairs and Minister Assist- ing the Minister for Defence	The Hon. Bruce Frederick Billson MP
Special Minister of State	The Hon. Gary Roy Nairn MP
Minister for Ageing	The Hon. Christopher Maurice Pyne MP
Minister for Vocational and Further Education	The Hon. Andrew John Robb MP
Minister for the Arts and Sport	Senator the Hon. George Henry Brandis SC
Minister for Community Services	Senator the Hon. Nigel Gregory Scullion
Minister for Justice and Customs	Senator the Hon. David Albert Lloyd Johnston
Assistant Minister for Immigration and Citizen- ship	The Hon. Teresa Gambaro MP
Assistant Minister for the Environment and Water Resources	The Hon. John Kenneth Cobb MP
Parliamentary Secretary to the Prime Minister	The Hon. Anthony David Hawthorn Smith MP
Parliamentary Secretary to the Minister for Trans- port and Regional Services	The Hon. De-Anne Margaret Kelly MP
Parliamentary Secretary to the Treasurer	The Hon. Christopher John Pearce MP
Parliamentary Secretary to the Minister for Fi- nance and Administration	Senator the Hon. Richard Mansell Colbeck
Parliamentary Secretary to the Minister for Indus- try, Tourism and Resources	The Hon. Robert Charles Baldwin MP
Parliamentary Secretary to the Minister for For- eign Affairs	The Hon. Gregory Andrew Hunt MP
Parliamentary Secretary to the Minister for Agri- culture, Fisheries and Forestry	The Hon. Sussan Penelope Ley MP
Parliamentary Secretary to the Minister for Educa- tion, Science and Training	The Hon. Patrick Francis Farmer MP
Parliamentary Secretary to the Minister for De- fence	The Hon. Peter John Lindsay MP
Parliamentary Secretary to the Minister for Health and Ageing	Senator the Hon. Brett John Mason

SHADOW MINISTRY

Leader of the Opposition	Kevin Michael Rudd MP
Deputy Leader of the Opposition, Shadow Minister for Employment and Industrial Relations and Shadow Minister for Social Inclusion	Julia Eileen Gillard MP
Leader of the Opposition in the Senate and Shadow Minister for National Development, Resources and Energy	Senator Christopher Vaughan Evans
Deputy Leader of the Opposition in the Senate and Shadow Minister for Communications and Information Technology	Senator Stephen Michael Conroy
Shadow Minister for Infrastructure and Water and Manager of Opposition Business in the House	Anthony Norman Albanese MP
Shadow Minister for Homeland Security, Shadow Minister for Justice and Customs and Shadow Minister for Territories	The Hon. Archibald Ronald Bevis MP
Shadow Assistant Treasurer and Shadow Minister for Revenue and Competition Policy	Christopher Eyles Bowen MP
Shadow Minister for Immigration, Integration and Citizenship	Anthony Stephen Burke MP
Shadow Minister for Industry and Shadow Minister for Innovation, Science and Research	Senator Kim John Carr
Shadow Minister for Trade and Shadow Minister for Regional Development	The Hon. Simon Findlay Crean MP
Shadow Minister for Service Economy, Small Business and Independent Contractors	Craig Anthony Emerson MP
Shadow Minister for Multicultural Affairs, Shadow Minister for Urban Development and Shadow Minister for Consumer Affairs	Laurence Donald Thomas Ferguson MP
Shadow Minister for Transport, Roads and Tourism	Martin John Ferguson MP
Shadow Minister for Defence	Joel Andrew Fitzgibbon MP
Shadow Minister for Climate Change, Environment and Heritage and Shadow Minister for the Arts	Peter Robert Garrett MP
Shadow Minister for Veterans' Affairs, Shadow Minister for Defence Science and Personnel and Shadow Special Minister of State	Alan Peter Griffin MP
Shadow Attorney-General and Manager of Opposition Business in the Senate	Senator Joseph William Ludwig
Shadow Minister for Sport and Recreation, Shadow Minister for Health Promotion and Shadow Minister for Local Government	Senator Kate Alexandra Lundy
Shadow Minister for Families and Community Services and Shadow Minister for Indigenous Affairs and Reconciliation	Jennifer Louise Macklin MP
Shadow Minister for Foreign Affairs	Robert Bruce McClelland MP
Shadow Minister for Ageing, Disabilities and Carers	Senator Jan Elizabeth McLucas

Shadow Minister for Federal/State Relations, Shadow Minister for International Development Assistance and Deputy Manager of Opposition Business in the House	Robert Francis McMullan MP
Shadow Minister for Primary Industries, Fisheries and Forestry	Senator Kerry Williams Kelso O'Brien
Shadow Minister for Human Services, Shadow Minister for Housing, Shadow Minister for Youth and Shadow Minister for Women	Tanya Joan Plibersek MP
Shadow Minister for Health	Nicola Louise Roxon MP
Shadow Minister for Superannuation and Inter- generational Finance and Shadow Minister for Banking and Financial Services	Senator the Hon. Nicholas John Sherry
Shadow Minister for Education and Training	Stephen Francis Smith MP
Shadow Treasurer	Wayne Maxwell Swan MP
Shadow Minister for Finance	Lindsay James Tanner MP
Shadow Minister for Public Administration and Accountability, Shadow Minister for Corporate Governance and Responsibility and Shadow Minister for Workforce Participation	Senator Penelope Ying Yen Wong
Shadow Parliamentary Secretary for Foreign Af- fairs	Anthony Michael Byrne MP
Shadow Parliamentary Secretary for Defence and Veterans' Affairs	The Hon. Graham John Edwards MP
Shadow Parliamentary Secretary for Environment and Heritage	Jennie George MP
Shadow Parliamentary Secretary for Treasury	Catherine Fiona King MP
Shadow Parliamentary Secretary for Education	Kirsten Fiona Livermore MP
Shadow Parliamentary Secretary to the Leader of the Opposition	John Paul Murphy MP
Shadow Parliamentary Secretary for Industrial Relations	Brendan Patrick John O'Connor MP
Shadow Parliamentary Secretary for Industry and Innovation	Bernard Fernando Ripoll MP
Shadow Parliamentary Secretary for Northern Australia and Indigenous Affairs	The Hon. Warren Edward Snowdon MP
Shadow Parliamentary Secretary to the Leader of the Opposition (Social and Community Affairs)	Senator Ursula Mary Stephens

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Wednesday, 9 May 2007

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

**SOCIAL SECURITY AND VETERANS'
AFFAIRS LEGISLATION
AMENDMENT (ONE-OFF PAYMENTS
AND OTHER 2007 BUDGET
MEASURES) BILL 2007**

First Reading

Bill and explanatory memorandum presented by **Mr Farmer**, for **Mr Brough**.

Bill read a first time.

Second Reading

Mr FARMER (Macarthur—Parliamentary Secretary to the Minister for Education, Science and Training) (9.01 am)—I move:

That this bill be now read a second time.

The measures in this bill are a further demonstration of the government's commitment to older Australians and carers. These changes ensure that the people of Australia share in the economic prosperity that they have helped to create. In addition, several of the measures will enhance the quality of life for many ageing veterans, especially those with a disability, or their war widows or widowers.

As with past bonus payments, these new payments will be paid in the majority of cases before the end of the financial year. These payments are possible because of the government's record budget surpluses, which have delivered this capacity to give extra support to these members of the Australian community.

The first payment provided by this bill will go to older Australians. A 2007 one-off payment of \$500 will be made to each person of age pension age who is qualified for utilities allowance or seniors concession al-

lowance on 8 May 2007. Recipients at that date of mature age allowance, partner allowance or widow allowance will also attract the one-off payment.

Older Australians not actually receiving the stipulated payment on budget night will still get the bonus if they had made a claim by that date and subsequently have their payment backdated to cover that date.

Self-funded retirees will not miss out on the bonus payment—they will receive \$500 per person if they are, on that same date, qualified for seniors concession allowance.

Carers are the second group targeted by this bill.

Carers receiving carer income support on 8 May 2007 in the form of a social security carer payment or carer service pension under the Veterans' Entitlements Act will be paid a \$1,000 one-off payment. Carers who receive the non-means tested social security income supplement known as carer allowance in addition to either wife pension or a partner service pension under the Veterans' Entitlements Act will also be paid a \$1,000 one-off payment. Any carer receiving carer allowance will be paid a separate \$600 one-off payment for each eligible care receiver. Carers who have claimed the targeted payments on or shortly before 8 May 2007 and are subsequently granted those payments, with effect from 8 May 2007 or earlier, will receive the one-off payments.

Carers whose children qualify for a carer allowance health care card only will not be eligible for bonus payments of \$600. Carers who claim carer allowance after 8 May 2007 and whose payment is backdated due to the application of the carer allowance backdating provisions will not be eligible for the bonus payment, even though the backdated period will have included payment for 8 May 2007.

Neither of the special one-off payments provided by this bill will be subject to in-

come tax, nor will either count as income for social security, veterans entitlements or family assistance purposes.

The third group assisted by the measures in this bill are veterans and war widows and widowers.

The bill provides for a once-only compensation payment to veteran and civilian prisoners of war interned by enemy forces in Europe during World War II, or their surviving widows or widowers. The government has previously made once-only compensation payments to persons interned by the Japanese and the North Koreans. Prisoners of war of enemy forces in Europe also experienced extreme brutality and starvation, and suffered from some of the same diseases that affected prisoners of war of the Japanese. These payments are in addition to the special level of benefits POWs and their widows already receive, including automatic eligibility for a gold card and eligibility to receive a war widow's pension.

The bill will also amend the Veterans' Entitlements Act 1986 to increase the maximum amount of funeral benefit payable from \$1,000 to \$2,000. By doubling the benefit we are making a greater contribution towards the cost of funerals.

In addition, the bill will increase the amount of the intermediate rate disability rate paid under the Veterans' Entitlements Act by \$25 per fortnight and the amount of special rate disability pension by \$50 per fortnight. More than 29,000 veterans with a disability who receive special and intermediate rate pensions will benefit from increases to their fortnightly payments. The pension increase will provide a substantial boost to the ability of disability pension recipients to manage their day-to-day challenges.

Finally, the bill will also extend the maximum period for backdating of war widow or widower pension from three to six

months in certain circumstances. For those eligible war widows and widowers who claim within six months of the death of their veteran partner, the war widow or widower pension will be backdated to the day after the date of death of the veteran. The extension of time to the permissible backdating period will allow those dependants of veterans who are not automatically eligible for the war widow or widower pension more time in which to lodge a claim for the pension and will ensure that they are not financially disadvantaged during such a difficult time.

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

Ordered that the resumption of the debate be made an order of the day for a later hour this day.

**SUPERANNUATION LAWS
AMENDMENT (2007 BUDGET CO-
CONTRIBUTION MEASURE)
BILL 2007**

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) (9.09 am)—I move:

That this bill be now read a second time.

As announced in the 2007-08 budget, this bill will make amendments to the Superannuation (Government Co-contribution for Low Income Earners) Act 2003 to double the government co-contribution in respect of contributions made during the 2005-06 income year.

Take the example of a person who earned under \$28,000 in 2005-06 and who boosted their retirement savings by contributing \$1,000 to superannuation out of their take-

home pay. Provided they met the other eligibility criteria they would have already received a government co-contribution of \$1,500.

This person will now receive an extra \$1,500 government contribution.

They have turned their initial \$1,000 into \$4,000, turbocharging their retirement savings. This amount will remain invested in their superannuation account, growing over time until they are ready to retire.

In the majority of cases the additional co-contribution will be paid to superannuation funds before 30 June 2007. Remaining amounts will be paid in 2007-08.

This measure will result in an extra \$1.1 billion being paid directly into the superannuation accounts of low- to middle-income Australians. This is in addition to the \$2 billion of government co-contributions that have already been paid into superannuation under this highly successful scheme.

This time last year the government announced the most significant changes to Australia's superannuation system in decades, including extending the government co-contribution scheme to the self-employed. In addition, the income thresholds for the co-contribution scheme will be indexed next financial year in line with growth in wages.

These measures are made possible by this government's continuing strong record of sound economic management.

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

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

Ordered that the resumption of the debate be made an order of the day for a later hour this day.

DEFENCE FORCE (HOME LOANS ASSISTANCE) AMENDMENT BILL 2007

First Reading

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

Bill read a first time.

Second Reading

Mr BILLSON (Dunkley—Minister for Veterans' Affairs and Minister Assisting the Minister for Defence) (9.12 am)—I move:

That this bill be now read a second time.

This bill seeks to further extend the operation of the Defence HomeOwner Scheme (the scheme), from 31 December 2007 to 30 June 2008. The legislative basis for the scheme is the Defence Force (Home Loans Assistance) Act 1990.

Late last year parliament approved the Defence Force (Home Loans Assistance) Amendment Act 2006, which extended the operation of the scheme from 31 December 2006 to 31 December 2007.

The extension of the end date was required to enable Defence enough time to review the current scheme and develop a home ownership assistance scheme that is more contemporary to meet the needs of both Defence and ADF members.

Defence has completed its review of home ownership assistance and the terrific results were announced last night by the government as part of the 2007-08 budget. In essence, the new scheme will have a value of \$864 million over 10 years. It is important that this new scheme is supported as it provides ADF members with assistance to achieve home ownership, recognising the difficulty members may have in purchasing a home due to the nature of their career. This will have a significant retention benefit to the ADF, as it is a targeted measure involving

progressively higher loan subsidies for those who serve beyond critical separation points.

In essence, the new scheme will replace the old home loans assistance scheme, which we are seeking to extend with this bill. It will provide contemporary and relevant home loan assistance pitched at a level that reflects current prices. It will also provide increasing entitlements as members serve beyond key exit points, based on a 37.5 per cent interest subsidy of a three-tiered loan subsidy limit: four years, up to \$160,000—which translates to about \$241 a month—eight years, up to \$234,000—which is about \$353 per month—and 12 years, up to \$312,000, which is currently about \$470 per month. It will be responsive to changes in the housing market and it will provide flexibility and choice—giving the ADF member choice of mortgage providers instead of requiring a single provider, as was the case under the old scheme.

The extension that I seek today will allow time for action consequent to the government's announcement to appropriately formalise the introduction of the new scheme. I seek to further extend the end date of the current scheme from 31 December 2007 to 30 June 2008.

The extension will provide the National Australia Bank with continuance of its existing rights as sole loan provider under the act until 30 June 2008, however, and more importantly, will ensure that ADF members' eligibility to home ownership assistance is preserved. I commend the bill to the House.

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

**BROADCASTING LEGISLATION
AMENDMENT (DIGITAL RADIO)
BILL 2007**

Second Reading

Debate resumed from 8 May, on motion by **Mr Billson**:

That this bill be now read a second time.

upon which **Mr Albanese** moved by way of amendment:

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) notes

- (a) that the Senate Committee inquiry into the bill did not allow interested parties sufficient time to consider and draft submissions to the committee, this constraint not allowing meaningful consultation on the bill;
 - (b) the lack of information as to how the omission of the Digital Radio Mondiale (DRM) platform from the legislation will affect the roll-out of digital radio to rural and regional Australia and notes that this legislation only specifies the use of Digital Radio Broadcasting (DAB); and
 - (c) that trials on DRM and compression standards are still being carried out;
- (2) calls for debate on the bill to be deferred until meaningful consultation has occurred; and
- (3) demands that the Government make every endeavour to ensure that standards are in place to enable the rollout of digital radio to remote, rural and regional Australia".

The SPEAKER—Before the debate is resumed on this bill, I remind the House that it has been agreed that a general debate be allowed covering this bill and the Radio Licence Fees Amendment Bill 2007.

Mr CREAN (Hotham) (9.16 am)—Before the adjournment last night, I was making the point that we support our going digital but arguing for our amendment to the second reading motion for the Broadcasting Legislation Amendment (Digital Radio) Bill 2007 on the basis that the government does not have the framework right for us to do that. We see the need for the development of

digital radio because it is an integral part of the digital media landscape. However, if we are to embrace it, it is essential that all Australians embrace it, not just those in the capital cities. Hence, the amendment we have moved seeks a deferral until we have established the means, technologies and framework for ensuring the coverage of this digital reach to the whole of Australia.

It is interesting that the Minister for Veterans' Affairs, in the second reading speech, mouthed the words that this will be a technology and a platform available to the whole of the country. He talks about 'equitable access to new services in broadcasting for people living in rural and remote' areas of the country. However, the bill requires that digital be rolled out only for state capital cities and that this has to happen before 1 January 2009, but when it comes to the consideration of technology for the regions, that will not be completed until a review of appropriate technologies by 2011—in other words, a review up to three years later.

The reason we have moved the amendment, Mr Speaker—and you would be aware of it because you represent a rural community—is that we want to ensure that the technologies and platforms that are developed are compatible, that they extend to all the regions, that regions do not miss out or that they do not end up having to purchase more costly equipment because, on the basis of what the capital cities have rolled out, tuners and receivers are equipped to receive only what is appropriate for them and their technology but not what will subsequently be needed for the regions.

We know from the bill's explanatory memorandum that the platform being talked of as being available for the cities is not appropriate for the regions. The bill establishes the problem; the explanatory memorandum confirms that the technology in question is

not appropriate for the regions. That is why we do not quibble with the need to go digital; we are saying it has to be a digital reach for the whole of the country, not just for the capital cities.

I urge the regions and rural communities to agitate to ensure that they are not left behind. Quite frankly, this legislation can leave them behind. They should be aware of what is inherently involved in this legislation. They should look seriously at the amendment we have moved, which is asking for a deferral until such time as technologies are compatible, so that we can move forward for the whole of the country.

I said at the outset that we support going digital and we do that because it will help us meet the real challenges of an increased audience expectation. Digital radio is more efficient than analog, AM-FM, and more stations can be broadcast within the same spectrum. What will that mean? It will mean greater diversity, greater choice and greater competition when it comes to news, current affairs and entertainment. It will expand listener choices and this is critically important. As we all know, radio is the lifeblood of those who spend time in the regions. People spend a lot of time in cars and at home. This is their connection, in many ways. It is about news and it is about connecting communities.

The digital approach also will provide better services with minimal interference and signal fading, better quality, described as 'compact disc quality sound' and much better reception. You will be able to tune into a radio station using its name only. You will be able to tune to programs on stronger frequencies when travelling. This is all terrific stuff. Whilst we welcome digital radio, it is essential that we get the framework for its introduction right. That means ensuring that people in capital cities and people in rural

and regional Australia will have the same access.

We have had experience already with the regions being left behind the capital cities, and that is when it comes to broadband. Who has stepped in to propose the policy alternative? Labor, with its Broadband Connect. It has taken the view, because we have read the evidence, quite frankly, that the regions that already have access to fast-speed broadband over the internet are the regions that are going ahead. Those that do not have it are being left behind. Governments have to step in, either to address the market failure or by regulation, to ensure that the access and the platforms are available to them. This government has not done so in the case of broadband, and it is not doing so in relation to the spread of digital.

This bill does not adequately address the roll-out of the enhanced radio services to people in regional Australia. I will remind the House again of what is contained in our second reading amendment. In particular, I remind those members on the other side of the parliament who represent rural and regional Australians. We note in our second reading amendment that the Senate committee inquiry into the bill did not allow interested parties time to consider and draft submissions to the committee, and that this constraint did not allow for meaningful consultation. So this is another rushed job—a rushed job that is so typical of the way in which this government has moved forward.

The second reading amendment also notes that this has led to a lack of information as to how the omission of the digital radio mondiale—DRM—platform from the legislation will affect the roll-out of digital radio to rural and regional Australia, and notes that the legislation only specifies the use of the other platform, digital radio broadcasting, or DAB. So the legislation only specifies DAB.

It does not talk about DRM. It defers that for later consideration. The government says it will look at that later, but why not look at it now? Why should we be taking precipitate decisions in the absence of knowledge about the technology and platforms that will enable us to take that regional opportunity?

Our second reading amendment also demands that the government make every endeavour to ensure that the standards are in place to enable the roll-out of digital radio to remote, rural and regional Australia. Many of these communities, as I said before, rely on radio, particularly the ABC. The bill's explanatory memorandum notes that the success of the introduction of digital radio will depend on the take-up of the system by broadcasters and the public. We heard last night from the member for Moreton, who talked about radio broadcasters welcoming this bill. I notice he did not talk about what the ABC had to say about this. One would have thought, if we were talking about regional and rural Australia, that we would take some notice of what the national broadcaster has to say—a national broadcaster whose reach is almost 100 per cent throughout the whole of Australia, and which does provide a service for the totality of the country, not just for the capital cities of the country.

I remind the House what the ABC had to say about this matter. It made specific recommendations relating to the roll-out of digital radio to rural and regional Australia. The ABC has indicated that it believes the only technology being referred to in the legislation, the digital radio broadcasting, otherwise known as the Eureka 147 platform, will not adequately service rural, regional and remote areas. That is not what the Labor Party has said; that is what the ABC has said, in its submission to the Senate committee inquiry, yet this legislation is proceeding and the government is ignoring that advice. The

DAB standard, the standard that is provided for in this legislation, was prescribed by the minister in October 2005 as the primary platform, but at the time it was also recognised that additional standards such as DRM were required to address regional and remote area coverage. Even the minister understands the deficiency of the platform being prescribed in this legislation.

The ABC went on to say that a wide-area digital radio standard should be determined before the provisions of the bill are put in place. In other words, the ABC is saying, 'Defer this legislation until we get it right.' That is what Labor is saying; that is what our amendment is saying. The bill omits the digital radio mondiale platform. The bill ignores the warnings and recommendations of the ABC. The ABC notes that, if DRM is ultimately adopted as the wide-area digital radio standard, it will be necessary for receiver manufacturers to produce multiformat devices that are able to receive both DAB and DRM, as well as AM and FM analog radio. But as the ABC notes, in the absence of a second digital radio standard for regional areas, there are no incentives for manufacturers to consider the need to develop multiformat receivers in their forward programming.

What is the result of that? It could be that, by the time a second digital radio standard is settled that can extend to the regions, digital tuners that are only able to receive DAB will be available for purchase. Where does that leave the people in the regions? Clearly, a better outcome all round would be for all digital tuners that are sold in Australia to be capable of receiving both standards. But this legislation will not provide that direction, guidance and incentive. That is why we say this should be deferred.

We are not trying to be prescriptive about the technologies the government should

commit to, given that trials as to the best technology are being carried out; we are saying: 'Let's get it right. Let's take the advice and let's consider all the information that is available to us.' But the government has to ensure that regional Australia does not miss out on this technology. Our fear is that rushing in haste to introduce this legislation will see them missing out. Why is the government rushing it? Why shouldn't it be properly considering the submissions that are being made? There has not been enough consultation, not only in relation to the impact on rural and regional Australia. The report of the Senate Standing Committee on Environment, Communications, Information Technology and the Arts identifies a number of other problem areas, and there has not been sufficient time for those making the submissions to consider the department's response to them because the department's response to their concerns only came in last week. There were some 137 responses from the department, yet there has not been sufficient time to consider them at all.

We believe that all of Australia deserves the best available standards. We believe this bill is letting down regional Australia again. I do not know where the National Party stands these days, but if it is not standing up for regional Australia who does it represent? Why are they supporting the undue haste of this legislation? I say to the National Party, to the members who represent rural and regional Australians: support Labor's amendment because we are looking after their interests and ensuring that the reach is available to them. We want digital but we want it for all Australians, not just for the capital cities, and our amendment, our deferral, will ensure that we get it right. (*Time expired*)

Mr FARMER (Macarthur—Parliamentary Secretary to the Minister for Education, Science and Training) (9.31 am)—You will find, during what I have to

say in summing up this debate, that we have addressed a number of the concerns highlighted by the opposition. The Broadcasting Legislation Amendment (Digital Radio) Bill 2007 and the Radio Licence Fees Amendment Bill 2007 provide the Australian radio industry with a unique and important opportunity to commence digital radio services. Digitisation is a key strategic issue for radio, which is the last significant broadcasting platform to remain analog only. The Australian radio industry has lobbied strongly for the introduction of digital radio to enable it to respond to the opportunities and challenges that digital broadcasting presents. There is no doubt that digital radio has the potential to enhance the already high-quality radio services enjoyed by Australian radio listeners every day.

The opposition would have us delay the introduction of the new technology, and thereby deny the radio-listening public the opportunity of new and innovative digital radio services, until further consultation has occurred; yet a comprehensive process of consultation has already occurred in the development of this legislation with the full support and involvement of the Australian radio industry. In December 2004, the government initiated an intensive process of industry consultation, research and policy development to examine the most appropriate technology and framework for the introduction of digital radio in Australia. This process culminated in the release by the Minister for Communications, Information Technology and the Arts in October 2005 of a policy framework to guide the implementation of digital radio, which is now being implemented through this legislation. The government's policy development process had the strong support and involvement of industry, and the framework was warmly received by major stakeholder groups when it was announced. The stakeholders have been fur-

ther involved in the development of legislation to implement the framework through the release of an exposure draft of the bills prior to their introduction into parliament and through the inquiry of the Senate Standing Committee on Environment, Communications, Information Technology and the Arts.

Underpinned by this exhaustive policy development process, these bills provide a measured approach to the introduction of digital radio in this country, one that balances a range of complex objectives and constraints. Two of these are the scarcity of available spectrum for digital radio and the choice of digital radio technology. While there are a range of technology standards available for digital radio, it will be crucial that Australia adopt a standard that is widely deployed and for which there are a range of reasonably priced consumer receivers available. Equally importantly, this standard must be compatible with the radio frequency spectrum available for digital radio broadcasting in Australia. The bill provides for the introduction of services using the digital audio broadcasting, or DAB, standard. DAB is the most mature and developed of the terrestrial digital radio platforms, and its adoption in Australia has the full support of industry.

These DAB based digital radio services will be introduced in a progressive manner, with the first services to commence in the state capital cities by 1 January 2009. This progressive approach to service introduction reflects the view, supported by the international experience with this technology, that digital radio will supplement existing analog radio services for a considerable period and may never be a complete replacement. Contrary to the suggestions of the opposition, listeners outside the state capitals have not been overlooked. The legislation provides that regional markets will have an opportunity to commence DAB digital radio services dependent on the interest of relevant broad-

casters in providing services. The commercial radio industry has publicly expressed considerable interest in providing DAB services in a number of large regional markets, and it is therefore reasonable to expect that digital radio services may commence in a number of these areas some time after 2009.

While DAB is the clear choice for the implementation of digital radio in Australia's larger markets, it is acknowledged that the platform may be unable to replicate the extensive broadcast coverage of services in many of the regional markets, particularly AM services. Consideration will need to be given to whether the other technologies such as digital radio mondiale, or DRM, are better placed to address the audience needs of some of the regional areas.

While DRM has particular strengths in terms of its capacity to provide a very wide coverage service, it remains an underdeveloped technology, with affordable consumer sets only recently being produced in any meaningful numbers. There would be risks if Australia were to draft legislation to support the introduction of technology that is yet to achieve significant commercial support in overseas markets. This consideration, together with the view of digital radio as a supplementary technology, supports the conclusion that it would be premature for Australia to develop a detailed regulatory framework for alternative digital radio technologies at this time.

However, there would be a clear benefit in continuing the assessment of technology options for regional digital radio. This is consistent with the government's stated commitment to ensuring equitable access to the new services in broadcasting for people living in rural, regional and remote Australia. To this end, the legislation provides for a statutory review by 1 January 2011 of technologies for the transmission of digital radio

broadcasting services and restricted datacasting services in regional licence areas. This review will allow for the appropriate consideration of issues such as the availability of equipment for, and the coverage characteristics of, various digital radio technologies, as well as the types of services that could result from the use of those technologies in regional areas, and will thus allow for adjustments to the regulatory framework if necessary.

During the first phase of the introduction of DAB digital radio, it will be important to provide the commercial radio industry with an appropriate measure of stability and certainty as they roll out services. The legislation provides this with a six-year moratorium on the issue of new licence area planned commercial digital radio licences from the commencement of services in the respective markets.

However, the legislation also seeks to balance the stability provided to incumbent broadcasters with the requirement that they fully utilise the new platform. Each incumbent commercial radio broadcasting licensee will be obligated to commence a digital radio service and to continue to provide such a service for the duration of the moratorium. Failure by any licensee to meet this requirement will result in the licensee forfeiting their rights in digital and will require the regulator to issue a new digital commercial radio licence for the area concerned. This is an important obligation on the commercial broadcasters—a point that seems to have been missed by the opposition. It will ensure that the digital radio platform is fully utilised and allow appropriate commercial entry where an incumbent commercial broadcaster chooses not to provide a digital radio service.

In terms of transmitter licensing, the legislation provides incumbent broadcasters with the opportunity to own and operate the rele-

vant licences, known as multiplex transmitter licences, that will provide their digital radio services. This is consistent with arrangements for analog radio and digital television where broadcasters manage the transmission of their services and control the associated spectrum.

The community broadcaster's involvement in multiplex licensing and operations will be by way of a representative company formed and owned by community licensees in each market. This representative company will enable the relevant community broadcasters in a licence area to manage their collective involvement in digital radio—as provided for in the government's announced policy framework—on an equitable and transparent basis. The government's policy framework also provides the community sector with guaranteed access to capacity on the multiplex transmitter licences that will also provide the guaranteed access for digital radio services of the commercial broadcasters.

The legislation establishes a multiplex access regime to ensure efficient, open and generally non-discriminatory access to digital radio multiplexes and, in particular, rights for incumbent broadcasters to access multiplex capacity. In the case of the wide-coverage community radio broadcasting licensees, the legislation reserves two-ninths of the capacity of every foundation multiplex transmitter licence for the community broadcasters in a market to collectively use for digital radio. This provides the sector with an opportunity to participate in digital radio from the commencement of the first services. I would also like to note that the government has backed up this commitment to the community sector with federal budget funding of over \$10 million to help community broadcasters establish digital radio infrastructure.

The government has also committed to funding the roll-out of infrastructure to sup-

port the delivery of digital radio services by the national broadcasters—the ABC and the SBS. Together, these initiatives will enable the sectors to participate with the commercial broadcasters in the commencement of digital radio services in the state capital cities on 1 January 2009. This is an excellent outcome for the introduction of digital radio in Australia and will support the successful establishment of the new platform. The implementation of digital radio overseas has highlighted that consumer take-up depends on the capacity for digital radio to offer more in terms of choice and quality of radio services.

In Australia, the national broadcasters play a vital role in the Australian radio market and are a critical source of service diversity, with their services highly valued by audiences across the country. Similarly, community radio is an established player in the radio broadcasting landscape, making a valuable contribution to the diversity of radio services. This funding package will ensure that the roles of the respective sectors are carried forward in the digital environment.

In terms of digital radio services, the legislation permits each of these sectors to provide any combination of text or still visual images as part of digital radio content or content in a form determined by the minister. This mechanism will allow careful consideration of any additional types of radio content, such as animation of moving image material, in the context of the broadcaster regulatory framework for broadcasting services and the experience of digital radio in Australia and internationally.

In addition, the legislation permits broadcasters to provide multiple digital radio services rather than a single stream of radio content, and there will be no requirement for broadcasters to simulcast their existing analog services in digital—although some broadcasters may choose to do so. These

measures harness the potential of the DAB standard to expand the range of radio services in a spectrum-efficient manner, enabling broadcasters to provide a wide range of programming that is responsive to audience needs.

As the member for Moreton indicated, this is enabling legislation. It provides a framework for the industry to take forward and make good use of. Taken as a whole, the measures contained in this legislation cement radio's important position in Australia's media landscape, providing industry with the opportunity to invest in innovative new digital content and provide listeners with a rich and more diverse radio offering.

The DEPUTY SPEAKER (Mr Jenkins)—The original question was that this bill be now read a second time. To this the honourable member for Grayndler 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.

Third Reading

Mr FARMER (Macarthur—Parliamentary Secretary to the Minister for Education, Science and Training) (9.48 am)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

RADIO LICENCE FEES AMENDMENT BILL 2007

Second Reading

Debate resumed from 28 March, on motion by **Mr Billson**:

That this bill be now read a second time.

Question agreed to.

Bill read a second time.

Third Reading

Mr FARMER (Macarthur—Parliamentary Secretary to the Minister for Education, Science and Training) (9.49 am)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

TAX LAWS AMENDMENT (2007 MEASURES No. 2) BILL 2007

Second Reading

Debate resumed from 29 March, on motion by **Mr Dutton**:

That this bill be now read a second time.

Mr BOWEN (Prospect) (9.50 am)—The Tax Laws Amendment (2007 Measures No. 2) Bill 2007 is an omnibus bill which the opposition will support. I will be moving a second reading amendment in relation to the venture capital provisions when I turn to them later in the proceedings. Schedule 1 of the bill deals with the effective life provisions of mining rights. The amendments included in this bill clarify the law so that it reflects the original policy intent. The changes mean that a taxpayer acquiring a mining right from a prior holder will be able to estimate the remaining life, rather than the whole life, of the existing or proposed mine to which the right relates, as with other assets. The amendments provide that taxpayers can work out the effective life of their mining right themselves by estimating the period until the end of the life of the mine, quarry or petroleum field. Taxpayers holding mining rights will have the choice of using either the prime cost or the diminishing value method in calculating the decline in value, as with other assets. Once the life of the mine has been estimated there will be no requirement for a yearly or periodic restoration of the

effective life of the mining right. However, a taxpayer can reassess the effective life if the original estimate is no longer accurate.

These amendments apply from 1 July 2001. This is retrospective because the 2003 amendments were also retrospective to 1 July 2001. This will ensure that the policy intent is reflected in the law since the introduction of division 40 into the 1997 act. Labor supports this move to clarify the law and provide certainty to taxpayers. I do note that it has been some time in coming. This is a regular refrain from me because it is a common problem. The government are very slow to correct drafting anomalies that are pointed out to them. I note, in passing, that last night's budget included a cut in the number of staff for Treasury. I certainly hope that will not be the staff who are involved in drafting tax laws amendment bills, because I believe that, if anything, that area needs more resources, not fewer.

Schedule 2 of the bill proposes to allow deductions for boating expenses to taxpayers who do not use their boat for specific business activities. The current income tax law allows only people who are carrying on a business with their boat to claim deductions. The tax law denies deductions for taxpayers who use or hold their boats to earn 'passive' income. For example, a boat owner who occasionally rents out their boat for income is assessed on that income but is not able to claim any deductions. As the opposition agree that this is unfair, we support this measure. It is a fundamental principle, in my view, that if you are assessed on income you should be able to claim deductions relating to generating that income. The amendments will allow deductions for expenses relating to earning income from boats even where the owners are not carrying on a specified type of business.

The proposed changes will allow taxpayers who cannot demonstrate that they are carrying on a business using a boat to deduct expenditure relating to their boating activity up to the level of income they generate in that year from the boating activity. They will also allow excess deductions to be carried forward and deducted against future boating income activities. A taxpayer will be able to deduct the expenses to acquire a boat; retain ownership; acquire rights to use a boat; retain the rights to use a boat; use, operate, maintain or repair a boat in relation to any obligation associated with that boat or any obligation associated with the taxpayer's right to use that boat.

Expenditure in relation to a fringe benefit will be exempt from the quarantining rule so that expenditure by an employer in providing a boat as a fringe benefit as part of a salary package is deductible to the employer regardless of the employee's boating income. This is consistent with the general treatment under income tax law of expenses in relation to fringe benefits. Labor supports this measure. The amendments should ensure that taxpayers who generate an income stream using their boat are not treated unfairly compared to other taxpayers.

Schedule 3 of the bill proposes amendments to the tax law relating to research and development tax concessions. It makes 10 technical amendments to clarify the law, remove unintended consequences and ensure the law accurately reflects the original policy intent of the R&D provisions. The amendments proposed by this schedule include provisions so that companies will be able to object to the amount of R&D tax offset allowed by the tax commissioner if they are dissatisfied with the amount allowed. Currently companies can only object to an assessment when they owe money to the tax office. The bill will also allow companies who do not choose the R&D offset to amend

their tax return to claim it by writing to the commissioner. Currently a company must choose the R&D offset instead of the deduction in the company's tax return for the year. Once it chooses the offset, it cannot claim the deduction for that year. For the accelerated deduction, expenses incurred in having an outside body perform R&D activities for the company are deductible at the accelerated rate. The \$20,000 minimum spend threshold does not apply. This bill extends this to companies wishing to claim the R&D tax offset for the amount of the contracted expenditure.

The R&D tax offset provisions may not cover all companies in a group as it refers to 'taxpayers', which is too narrow to cover certain companies that the original policy intended to cover. References to 'taxpayers' will be replaced by references to 'persons' to cover all companies in a group. This is important because, to reach the R&D expenditure threshold of \$20,000, eligibility applies to all R&D expenditure in a group of companies. Further, currently a group of companies may be eligible for an amount of the premium deduction without any firm in the group being eligible for the allocation of that amount. This situation arises where a group of companies have collective R&D expenditure greater than the rolling three-year average of the group and are therefore entitled to the deduction but no individual company has increased their R&D expenditure over the previous year's expenditure. This is because the premium deduction is only available for a member of a corporate group that must have increased its R&D expenditure above its three-year average. Also, at least one member in that group must have increased its R&D expenditure over the immediate previous year. This was an anomaly in the legislation. We welcome its correction.

The bill will eliminate the criterion that an R&D group have at least one member of the

group whose expenditure for the year is greater than its R&D expenditure in the prior income year to access the premium so that the R&D group will only have to have increased its R&D expenditure above the average for the past three years to be eligible for the premium deduction. Currently an entire group of companies becomes automatically eligible for the premium deduction if a newly acquired company can establish eligibility due to expenditure incurred prior to joining the group. This bill will restrict eligibility to expenditure that is incurred during the company's membership of the group so that a group will not be eligible for the premium concession based on expenditure incurred by a company when it was not a member of the group.

As a result of the method for calculating the 175 per cent premium concession, it is possible that the premium concession will be negative in certain circumstances. As this concession should only provide a benefit to companies, the calculation will be taken to be zero. We welcome these technical and detailed amendments to the R&D tax concessions. However, I make the point that it is time for more than technical amendments. It is time for root and branch amendments to the R&D tax concessions. It is time that this government re-examined its very short-sighted decision to slash R&D tax concessions when it came to office in 1996.

Since that decision we have seen the average annual growth rate of real business investment in R&D plummet from 11.4 per cent in the period from 1986-87 to 1995-96 to 5.1 per cent in a similar period 10 years later. For manufacturing the story is even worse, with the average annual growth rate slipping from 10.6 per cent to only 1.9 per cent. At 1.76 per cent—already half a percentage point below the OECD average—Australia's overall R&D effort is set to be overtaken by China's in the next few years

unless urgent action is taken. Following the government's 1996 changes, R&D as a share of output plummeted from about 3.3 per cent to only about 2.8 per cent. We can only speculate about what would be different today if the government had not taken its shortsighted decision back in 1996. We can only speculate as to what our R&D rates would be. We can only speculate as to whether we would have had over 50 consecutive trade deficits. We can only speculate as to whether last night's budget would have still predicted that the current account deficit would blow out to six per cent of GDP—as it did—one of the highest figures encountered in Australia's history. We have 10 years of wasted R&D opportunities, 10 years of failure to invest in the future. It is time for more than technical amendments; it is time for a complete re-examination of this government's approach.

Schedule 4 of the bill amends the tax law to allow for a deduction for donations of small parcels of shares in listed public companies to deductible gift recipients. The amendments will allow taxpayers a tax deduction where they make a gift to a DGR of shares in a listed public company where those shares were acquired more than 12 months before making the gift and are valued at less than \$5,000. This is eminently sensible and it meets with our support.

The bill also amends the Income Tax Assessment Act 1997 to update the list of deductible gift recipients. Schedule 5 adds the American Australian Association Ltd and the Bunbury Diocese Cathedral Rebuilding Fund to the list of specifically listed DGRs, and we welcome this. The American Australian Association do good work—and have done for many years—promoting good relations between our two great countries. They played an important role in having the American memorial erected here in Canberra and they continue to play an important role in the an-

nual commemorations of the Battle of the Coral Sea, as well as doing much other good work. Tax deductibility for donations to this group is eminently sensible and supportable, as are those for the cathedral rebuilding fund. Schedule 5 also extends the DGR listing until 27 August 2007 of the Finding Sydney Foundation—which of course does good work in trying to find that battleship and those who went down on her—and reflects the name change of a specifically listed DGR. Again, Labor supports each of these measures.

Schedule 6 extends eligibility for tax deductions for contributions to DGRs where there is a minor benefit in return for their donation. In other words, where a fundraising function is held—a dinner, a ball or some other sort of function—and there is a minor benefit received in return, such as the dinner on the night or some other form of minor benefit for attending the function. Schedule 6 proposes to relax the eligibility thresholds for minor benefits to allow deductions for contributions of more than \$150—it is currently \$250—where the market value of the minor benefit is no more than that. We support this. Fundraising functions and dinners are very important parts of a charity's fundraising activities. Just a couple of weeks ago I was delighted to host the Learning Links charity ball in Bossley Park, which raised almost \$50,000 for Learning Links. I am sure that Learning Links and other charities appreciate this amendment, and, of course, we will be supporting it.

Schedule 7 corrects a defect in the definition of 'exempt entity' by ensuring the definition covers all entities exempt from tax under the tax law. This bill will change the definition of 'exempt entity' in the Income Tax Assessment Act to include any entity if all of its income is exempted by any Commonwealth legislation or if it is an untaxable Commonwealth entity. This will ensure that

ancillary funds and prescribed private funds can donate to tax exempt state, territory and Commonwealth bodies such as public ambulance services, research authorities and cultural institutions. This was the original intent of TLAB (No. 3) of 2005, which made changes to public ancillary funds and prescribed private funds. I note that various institutions, including the Opera House, made submissions to the Senate inquiry welcoming this, and of course we join them in that.

I now turn to the venture capital section of the bill. A healthy venture capital sector is vital to the strength of the Australian economy. Venture capitalists take risks—they invest in things which may or may not produce them a return—and the tax system recognises this. The OECD notes in its *Economic policy reforms: going for growth* paper of last year that Australia's venture capital investment rate, as a percentage of GDP, is below the OECD average and is very significantly below the rates for the United Kingdom, Canada and the United States. The government enacted the Venture Capital Bill 2002 and the Taxation Laws Amendment (Venture Capital) Bill 2002 to improve the tax treatment of venture capital. This has had a questionable impact. Only 15 VCLPs and 15 PDFs have been registered since that time.

The government then appointed the Watson review to look at the treatment of venture capital in our taxation system. The government says that this bill adopts the recommendations and meets the concerns of the Watson review, which it received in December 2005. I say: 'That's great. I would rather come to that conclusion myself; I would rather make that decision for myself.' It would be helpful if I and other members could read the Watson review. It would be helpful if the government would actually release the review that they commissioned. When the Assistant Treasurer comes into the

House to sum up this debate I ask him to enlighten the House as to why he, the industry minister and presumably other cabinet ministers are the only people in Australia entitled to read the Watson review. Why has that privilege not been extended to members of the opposition or to any other person in this country so that Australia can make the decision and individuals can make the judgement about whether this government is adopting all the recommendations of the Watson review?

I suspect the government are reluctant to release the Watson review because it shows that their previous reforms have been less than successful. When a government commissions a report that finds that something they have done has been less than successful, they actually get points for fessing up, being honest about it and releasing the report. They get zero points for keeping it hidden and for refusing to release it. And they certainly get zero points for bringing in legislation which is meant to comply with the recommendations of the report and not giving the parliament of this nation the chance to read the report to make that assessment for itself. So the Assistant Treasurer today has an opportunity to explain to the House why that report has not been released. Indeed, he has an opportunity today to release it so that this House can make that judgement.

I also note that last night the budget announced further changes to venture capital provisions. These changes were announced in last year's budget. The day after this budget, we are finally debating them. In the meantime, more have been announced. This reinforces the point that the government is very good at making announcements on budget night but is very poor in implementing them.

I think there are 10 separate measures that were announced in the 2006 budget which,

the day after the 2007 budget, we are still to see introduced into this House. I hope for the sake of the Australian economy that some of the measures announced last night are introduced into this House a good deal quicker than that. For instance, I hope that the change to the \$100 million cap—which my predecessor, the previous shadow Assistant Treasurer, moved an amendment in the Senate to achieve two years ago, and which the government finally announced last night—is introduced a good deal more quickly than 12 months down the track. My point is: what confidence do we have that these measures will achieve the government's objectives when, before they were even introduced into the House of Representatives, further measures were announced last night?

Schedule 8 amends the venture capital provisions to relax the eligibility requirements for the concessional treatment of foreign residents investing in venture capital limited partnerships or VCLPs. It also introduces a new investment vehicle—the 'early stage venture capital limited partnership' or ESVCLP. The aim of the tax concessions is to provide equity capital for a relatively high-risk and expanding business that finds it difficult to attract investment through normal commercial mechanisms.

Schedule 8 relaxes the restrictions on VCLPs. It does that in the following ways. It removes restrictions on the investor's country of residence. People in this sector have been calling for this for some time and we welcome it. It allows the VCLPs to invest in unit trusts and convertible notes, whereas currently investments must be in the form of shares or options in companies. It reduces the minimum partnership capital required for registration from \$20 million to \$10 million. And it allows the appointment of auditors to be delayed until the end of the financial year of the investment; currently an auditor is required on an ongoing basis.

Schedule 8 also relaxes the 'Australian nexus' test, which currently requires that the investee entity—the company the VCLP invests in—be a company resident of Australia and that 50 per cent of the assets and employees of the investee entity be located in Australia for 12 months following the investment. The changes allow some investments—up to 20 per cent of the committed capital—to be in companies and unit trusts that are not in Australia.

However, this bill maintains the restriction on VCLPs that target investees must have less than \$250 million in assets—a restriction generally not imposed in other jurisdictions. I will be dealing with this in my second reading amendment.

As I indicated earlier, this bill also establishes a new investment vehicle—the early stage venture capital vehicle—which will progressively replace the existing pooled development funds or PDFs, which were established in that 2002 legislation and which have had, at best, patchy success. These new vehicles will be flow-through tax vehicles, like VCLPs; however, the income and capital gains tax earned by these vehicles will be exempt from any Australian tax. This exemption will apply to both resident and non-resident investors.

However, the attractiveness of these concessions must be measured by the following restrictions that will apply to these vehicles. The maximum size of the fund administered by an ESVCLP is \$100 million. They will not be able to invest in investee entities having total assets exceeding \$50 million; this restriction already applies to PDFs. Losses from these new partnerships will not be deductible by the partners. And once the total assets of the entity invested in by an ESVCLP exceed \$250 million, the vehicle must divest itself of that entity.

I now move:

That all words after “That” be omitted with a view to substituting the following words: “whilst not declining to give the bill a second reading, the House condemns the Government for its failure to promote the venture capital industry and calls on the Government to:

- (1) increase to \$500 million the value of assets of an entity invested in by an Early Stage Venture Capital Limited Partnership (ESVCLP) beyond which ESVCLP must divest itself of an interest in the entity;
- (2) increase the time allowed for a partnership to divest an investment from 9 months to 12 months; and
- (3) increase the value of assets target investees of Venture Capital Limited Partnership can have, to \$500 million”.

This amendment calls on the government to remove the significant requirement that ESVCLPs must divest themselves of an organisation which has assets of more than \$250 million. As a step in that direction, it calls on the government to change that threshold from \$250 million to \$500 million, and to increase the amount of time allowed for an ESVCLP to divest itself of that interest from six months—which can be extended by three months—to a flat 12 months.

Increasing the threshold to \$500 million would encourage more investment in early stage venture capital vehicles and more investment in innovative businesses in Australia. This is something which has been raised with me consistently in my consultations with the venture capital industry on this bill. I know the Assistant Treasurer likes to talk about consultation but doesn’t like to actually do much of it, whereas I have been to various capital cities of this nation and consulted directly with venture capitalists about the implications of this bill, and this is a concern which has been raised with me directly. I do not imagine that it has been raised directly with the Assistant Treasurer, because I

know he believes more in the rhetoric of consultation than in actually doing it.

This is a step that the Labor Party is calling on the government to adopt today. I indicate that, should we be honoured with government later in the year, this is something we would be reviewing in office. We would be examining this threshold and the amount of time that is given to ESVCLPs to divest themselves of those assets. We would be reviewing those things and having a very close look at them. But, as we stand today, we think it would be a sensible measure for the government to lift this threshold, which does not apply in many other jurisdictions and which does not give these venture capital partnerships long, in real terms, to divest themselves of these assets. So, while I welcome these reforms generally, I remain concerned about the restrictions on the assets that can be held by both investment vehicles: VCLPs and the new early stage vehicles.

As I have said, the government is making these changes because the venture capital regime it introduced in 2002 is not working properly and has failed to boost the venture capital industry by an acceptable amount. The removal of some of the restrictions on VCLPs and the new vehicles are positive and welcome. However, as I have said, they do not go far enough. I fear that, unless the government adopts Labor’s amendment today, we will be back here in one, two or three years time amending this legislation yet again. Just as we are today amending the 2002 legislation, just as the government last night announced further changes—which we will be amending sometime in the next 12 months, I presume—we will be coming back again to amend this legislation because the government, through its lack of consultation, has failed to take it up.

Generally, I support this bill. I note that the government of its own volition referred it

to a Senate committee. I presume that is because of the farce that we saw last time with Tax Laws Amendment (2006 Measures No. 7) Bill 2007, where the government refused to refer it to a Senate committee, backflipped and accepted Labor's referral to a Senate committee and then finally had to accept the recommendation of Labor senators to amend the bill. I assume that the government thought, 'We'll avoid all that rigmarole this time and just refer it straightaway to a Senate committee.' I welcome that. I do not think every tax laws amendment bill has to be referred to a Senate committee—may I let the Assistant Treasurer know—only those which cause some concern. The measures in this bill are generally supported. I commend the bill and the amendment to the House.

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

Mr Tanner—I have much pleasure in seconding the amendment.

Mr CADMAN (Mitchell) (10.16 am)—The Tax Laws Amendment (2007 Measures No. 2) Bill 2007 contains multiple changes to the tax act. There are seven or eight effective ones. Some are technical, but most of them deal with specific areas that the government has given attention to, either to simplify or to extend current provisions and concessions. They include the effective life provisions, the taxation of boating activities, certain expenditure on research and development activities, donations of listed shares to deductible gift recipients, deductible gift recipients, deductions of contributions related to fundraising events, technical amendments, and provisions relating to venture capital, which were dealt with by the previous speaker. I will run through them briefly, spending some time on the taxation of boating activities and more time on the donations and deductions for deductible gift recipients.

The boating provisions are very sensible. This area has been a problem for the boating industry for some time. I have examined the changes carefully. I am concerned that there is a temptation for boat owners to mix business with pleasure. It is very difficult for the tax office to determine where the line between the two should be. Under these provisions, there are changes to deductions and there are two exceptions. There is a general rule relating to the capping of deductions for income earned. Amounts attributable to a specific type of boating business or amounts incurred in providing fringe benefits are not quarantined. The quarantined amount is modified for taxpayers who have boating capital gains, have profits from a boating business in an income year, derive exempt income and become exempt.

For anybody involved in the boating industry, I believe that the examples in the explanatory memorandum are essential reading, because it is only by looking at those specific examples that it is possible to delve behind the intention of the act. I want to compliment the tax office for providing clear examples in this case. These include proposals for using or holding a boat and what it can be used for. For instance, the advertising by a boat owner of his business on the side of the boat may or may not be deductible. It depends on the methods used by the boat owner for gaining income. If his income is derived solely from a business separate from the boat, of course the advertising itself on the boat may be deductible. But if the boat itself is used to raise funds and not just as a form of advertising but as a form of earning income, then of course a different arrangement applies to taxation.

The apportionment of the deductions that partly relate to using or holding a boat are outlined in further examples. There are exceptions to the quarantining rule and there are modifications to the quarantining rule

contained in the bill before the House. Part of the legislation covers the way in which profits can be dealt with or the way in which profits and losses can be carried forward. Another section of the legislation deals with owners who own multiple boats. Some may be solely related to fishing or business; others may be for pleasure. The bill clearly sets out the conditions that apply. Interestingly, the cost to revenue of these measures is approximately \$5 million or \$6 million per annum, and I believe they will be greatly beneficial to the boating industry.

There is provision in the legislation for expenditure on research and development activities. The new law is interesting and it provides a number of corrections. They are small changes to the existing concessions for research and development of any type, but the legislation also provides some additional benefits, such as the offset in the year in which entitlement is made. Currently, there is no provision for a company to choose the R&D tax offset by amending their original tax return. That has now changed in this bill. Currently the R&D concession has a general exemption to the \$20,000 minimum spend rule for contracted expenditure to a registered research agency on behalf of a company. This exception does not apply if the R&D tax offset is claimed. So that is a further change in this current legislation.

The main area of particular interest to me—and, I believe, the public at large—is the encouragement that this bill offers for philanthropy. I think this is an area that government needs to pay attention to. I know that there have been considerable efforts made by the government to have the Prime Minister's Community Business Partnership group examine in particular the way in which philanthropy can be encouraged. I believe it is an avenue that needs careful attention. I think it can be easily extended to schools in general and to church and charity groups,

which perform functions which are of a charitable nature. There should be an extension of the provisions of deductibility for gifts to charitable organisations of all types; I do not think the range is broad enough and I believe the community would benefit greatly. Indeed, the social welfare bill would be reduced if we were to do this. I think charitable organisations generally are much more effective at providing support and services to those in need than government mechanisms. This proposal does extend philanthropy. I believe that it needs further examination and that philanthropy needs to be greatly encouraged.

The context of these amendments is that the income tax law encourages philanthropy through a range of taxation measures covering the donation to deductible recipients of money or property valued at \$2 or more. Those gifts are deductible. Currently, gifts of property to DGRs, the tax deductible gift recipient group, which can include shares, are tax deductible if the property is purchased during the 12 months before making the gift or is valued by the Commissioner of Taxation at more than \$5,000. Gifts of property, including shares, acquired at least 12 months before making the donation and valued at \$5,000 or less are currently not tax deductible. The new measure was announced in the 2006-07 budget and applies to gifts and contributions made in an income year commencing on or after royal assent. So it brings forward the capacity to make deductions in the current income year.

The new law provides that taxpayers gifting shares deduct the market value of the shares on the day they make the gift, provided that the shares were acquired at least 12 months before making the gift, have a share value of \$5,000 or less, were acquired in a listed public company and are listed for quotation on the official list of the Australian Stock Exchange. So there is the protection

for revenue: making sure the shares are acquired in a listed public company and making sure a full quotation is available. The capital gains provisions are something that sneak in here, because it is obvious that the tax office would not like to see somebody make a capital gain and then avoid their responsibility for paying by making a donation or a gift to a charitable organisation. Again, we have examples. I will read one briefly. This is example 4.2 in the explanatory memorandum:

Mark wishes to gift \$3,000 of shares in Red Ltd and \$4,000 of shares in Blue Ltd, both listed public companies, to a DGR. Both of these parcels of shares were purchased more than 12 months ago. Mark signs and submits two share ownership transfer forms.

Although their combined value exceeds \$5,000, Mark can still deduct the gifts of shares as they are treated as separate gifts each valued at \$5,000 or less.

There are a whole series of examples about the way in which this law may apply to gifts of shares. I think it is an excellent provision and one that needs to be promoted by charitable institutions and organisations. I think this is a ready source of income for these groups that they should be seeking out. I encourage donors to actively consider whether or not a gift of shares is an appropriate way in which to make their support for an organisation known and recognised. There is no need to cash things out. There is no need to go into all the problems of finding out what shares are worth and going through the sale process with its costs. A simple transfer is what is proposed by this legislation.

The other interesting provision is the provision for tax deductibility for contributions relating to fundraising events. This tax deductibility provision is an interesting one. I will read schedule 6.1:

The deduction is available where the value of the contribution is more than \$150 (the current

threshold is more than \$250), and the minor benefit received in return is no more than \$150 (currently \$100) and 20 per cent (currently 10 per cent) of the value of the contribution, whichever is the less.

This means that, for fundraising events, all sorts of things can be done to support a charity. Again, there is an example which illustrates this. Example 6.1 says:

Anthony pays \$260 to attend a charity golf day, hosted by a DGR. The market value of an 18-hole golf game is \$50. As the market value of the golf game is less than \$150 and less than 20 per cent of the value of his contribution (\$260), Anthony can deduct \$210 (\$260 less \$50).

Without the amendments to the thresholds, Anthony would not be entitled to a deduction as the market value of the minor benefit, the golf game (\$50), is more than 10 per cent of the value of his contribution ($\$260 \times 10 \text{ per cent} = \26).

This is a great encouragement for charities of all sorts, for schools, for the Scouts and Guides, for people holding art shows and all sorts of activities. It is a wonderful way of encouraging people to make minor contributions, whether they be football jumpers or whatever—a host of things can be contributed to a charity. There is even the contribution of attending a charity golf day, as illustrated by the explanatory memorandum. Clearly there are advantages to the taxpayer but particularly to the organisation, the DGR. I commend this legislation to the House. It covers a wide range of important issues. I think they are good measures.

Mr HAYES (Werriwa) (10.30 am)—I know we are coming back from a break, Mr Deputy Speaker, and we are all refreshed, but this week seems to be a week of amendments. In addition to the Tax Laws Amendment (2007 Measures No. 2) Bill 2007 that we have in front of us—not an uncommon form of legislative amendment, when it comes to this government—amendments are to come before the House in the form of the

Building and Construction Industry Improvement Amendment (OHS) Bill 2007. That is set down for debate tomorrow, I think. We also have the mother of all amendments—which the Prime Minister has told us for the last year would not happen, out of fear that it would destroy the economy as we now know it—the amendments proposed to Work Choices. An effort is certainly being made by the government to draw to a conclusion a number of things that have been hanging around for over 12 months.

I will keep my comments brief and relevant to this tax bill. I will limit my comments to the issues of research and development. Research and development expenditure is critical for the performance and advancement of the economy. Certainly it is critical to improving the competitiveness of industry. Business investment in research and development, however, is at 0.95 per cent of GDP. That is well below the average OECD contribution to R&D, which is 1.53 per cent. As a consequence, that has this country sitting behind 14 other OECD nations. That is despite the fact that considerable advancements were made throughout the mid-1980s and the 1990s in industry contributions to research and development.

There must be many reasons for that performance, but the fact remains that business spending on research and development under the Howard government has grown at less than half the rate that it grew at under the former Labor government. When the Prime Minister announced in 1996 his commitment to industry, he put it in these words:

... to improve Australia's international ranking in terms of expenditure on business R&D, as a share of GDP.

I have just cited the current figures, and the position could not be more different from that envisaged by the Prime Minister in 1996. It certainly has not lived up to the

standard set by the former Labor government with regard to encouraging industries to invest in research and development in their sectors.

The Howard government's main policy of cutting the research and development tax concession has produced a less than stellar performance. Policies that promote further investment in research and development are being actively pursued by many countries but this government only pays lip service to them. Let me take a moment to examine the targets set by other countries when it comes to R&D. China is committed to increasing research and development expenditure to 2.5 per cent of GDP by the year 2020. The European Union as a whole is targeting expenditure on R&D at three per cent of GDP by the year 2010.

All around us, our Asian neighbours are increasing their research and development spending at an incredibly rapid pace. As a local member representing the seat of Werriwa, in the south-west of Sydney—an area I am very proud of—I point to the employment statistics for the area to demonstrate the effect research and development will have on the development of our main industries. In the south-west of Sydney, we have nearly 50,000 people employed in manufacturing. It is welcome news that the manufacturing sector is taking seriously its responsibility for R&D in the development of home products, particularly in Werriwa, my area. Currently, manufacturing accounts for 41 per cent of Australia's research and development. Manufacturing businesses are also the most likely to commit to innovation and further development and to invest in their futures.

The manufacturing industry recognises the need to be the one that is setting the pace in the world, and not having it foisted upon it, simply being reactive to the position of other countries. We need to stimulate growth in the

manufacturing sector. We need the sector to invest in its future. We are certainly seeing some encouraging signs. In my backyard, in the south-west of Sydney, various companies that I visit on a regular basis are now taking steps to invest in their future through research and development expenditure.

The amendments contained in this bill will, I believe, help contribute to the improvement of Australia's research and development performance. They are vital and necessary. We do need to stimulate and encourage expenditure in that area. To that extent I support the provisions of the bill. Labor supports the proposals in the bill, particularly the proposals relating to R&D. In saying that, however, it would be remiss of me not to note the time it has taken for this amendment bill to come before the House. The amendment bill was announced at the time of the last budget. I am talking about the budget handed down in May 2006, not last night's budget. It has taken more than a year for the legislation to come before the House. Of course, this is not the longest delay that we have seen in amendments coming before the House.

Research and development tax concessions were introduced by the Labor government in May 1986. Quite frankly, they have had a chequered history, particularly under the current government. In the 1992-93 budget speech of the then Labor government it was announced that the R&D concession would continue indefinitely. There was a commitment by a Labor government to invest in the development of this country, particularly in manufacturing, by continuing that concession indefinitely.

In 1996, upon the election of the Howard government, there was a slash and burn approach to budgetary measures and that characterised the government's first few budgets. I am sure members will remember the cuts

that were made and the ones we are still paying for. There are fewer doctors, certainly on the Central Coast, and dentists. The Howard government took it upon itself, among other things, to reduce the R&D maximum concession to 125 per cent. The government led the charge in discouraging people from investing in their futures. That is the legacy of this government. That is why it is scrambling now to redress those things. That is why we are falling behind other nations which have taken the positive approach of setting targets for R&D into the future. That is why we need to look forward and invest in ourselves. That is something we have advocated through successive Labor governments. It is good to see that the Howard government is now starting to take a leaf out of our book and at least return it to its former position prior to 1996.

In 2001, the government backflipped on its position when it produced a package called Backing Australia's Ability. In that package it introduced a premium rate of 175 per cent for additional research and development activity and the research and development tax concession for small companies. While I say it has taken a long while for this amendment bill to come before the House, and I refer to last year's budget, the reality is that—and make no mistake about this—we have been waiting effectively since 2001 for this legislation to come before the House and to be implemented in a way that will stimulate the growth of R&D within the business sector.

I know that the government is now scrambling to establish its credentials. I accept that it is an election year and the government has to do something about showing its sincerity in this regard. Last night when I went back to my rooms—as no doubt most members did—I started to go through the budget statements. Statement 1: Fiscal strategy and

budget priorities, under the heading 'Creating opportunities for industry', states:

This commitment is outlined in the industry statement, *Global Integration: Changing Markets, New Opportunities*, which includes—

among other things—

\$200 million over four years to expand access to the 175 per cent research and development (R&D) tax concession, to encourage multinational enterprises to increase the amount of R&D they perform in Australia ...

That is welcomed, but I make the point that this highlights how the government is now scrambling to catch up and stimulate industry to perform R&D, with a view to generating not only productivity but also employment in this country. One of the spin-offs of R&D is not simply the research and development that takes place but the all likelihood of the employment that it generates as a consequence of undertaking R&D in this country.

There is no doubt that the provisions contained in schedule 3 of this bill will improve the research and development tax offset, particularly by allowing companies more time to claim the offset. The amendment that allows all companies in a group to be covered by the research and development tax offset provisions will be welcomed not only by those businesses currently undertaking R&D in Australia but also, more importantly, by those companies which are contemplating it. Given the importance of research and development to the longevity of a number of Australian businesses and industries and the importance of R&D in terms of building our productive capacity, while these changes are technical in nature, I agree they are welcome.

The reality of our global economy is that, if we do not innovate, if we do not invest in our future, our businesses and our industries, we are not likely to survive in that competitive market. That is why it is more important

than ever for government to come to the table with industry, to ensure that the arrangements in place are sufficient to maintain Australia's competitive position in the world economy. While the amendments in this bill are welcome, when it comes to R&D, one can only wonder whether they are enough.

Ms PLIBERSEK (Sydney) (10.45 am)—I rise to speak on the Tax Laws Amendment (2007 Measures No. 2) Bill 2007. I want to focus my comments on schedules 5 and 6 of the legislation. Schedule 5 will amend the list of deductible gift recipients in the tax legislation. Deductible gift recipient status will assist the listed organisations to attract public support for their activities. Schedule 6 of the bill amends the tax legislation by extending the eligibility for tax deductions for contributions to deductible gift recipients where an associated minor benefit is received with an eligible fundraising event.

The government says that what they call the improvements to the taxation deductibility provisions provide further support to encourage greater philanthropy in the community. Naturally, Labor support measures that encourage philanthropy in the community. We are pleased to see that this bill will lift some of the restrictions on the kinds of gifts which can be donated to organisations with deductible gift recipient status. Of course we support those changes.

I want to talk more broadly about deductible gift recipient status and about charities more generally. We have a proud record in Australia of giving to charities. The 2005 report *Giving Australia: research on philanthropy in Australia* estimated that the total giving of money, goods and services to non-profit organisations by individuals and businesses was about \$11 billion per year. I noticed just this week that new reports of giving to charities put my own state, New South Wales, at the top of the list per capita, having

the most generous citizens when it comes to donating to charities.

The DEPUTY SPEAKER (Hon. DJC Kerr)—We always say Sydney has a big heart!

Ms PLIBERSEK—We have a big heart, that is right. I know you are trying to pull my leg here, Mr Deputy Speaker, but as the member for Sydney I see every day just how generous Australians are and just how generous Sydneysiders are. My electorate of Sydney, an inner city seat, is the location for a lot of charities and services—drug and alcohol services and homeless services in particular. We also have the head offices of a number of charities located in the Sydney electorate. Many church groups, welfare services, legal centres, environment groups, gambling services, family support services, neighbourhood centres and health services are located in my electorate. I see the first-class work they do. I also see the sorts of people who rely on these charities every day—Australians who access homeless shelters every night, young people in particular who are being helped to kick their drug and alcohol addiction or gambling habits, or women and children leaving violent partners and looking for a safe place to live. These organisations in my electorate support people living with HIV and AIDS, not only helping them with the usual domestic support and medical advice but also helping them to combat the social isolation which often goes with chronic illnesses such as HIV.

I see a lot of people who are desperate for help accessing community legal services to try to get some protection for their rights, protection which they are likely to miss out on without advocacy on their behalf. Day after day I see the charities and other organisations supporting some of the most disadvantaged and marginalised citizens in the country. Many of the charities have deducti-

ble gift recipient status. That means that they are allowed to receive donations which are tax deductible for the donor. The staff of these organisations are basically doing charity work also—they are certainly not being well recompensed. The deductible gift recipient status provides for organisations to allow their staff to salary package. Sometimes that is the only way people can make ends meet. Deductible gift recipient status allows organisations to receive money from philanthropic trusts and grants and to use that money for innovative new projects.

The point that needs to be made here is that Australian society relies more and more on charities as the government has withdrawn from providing some of the most basic services to Australian people. There are a couple of examples in my electorate. An organisation called the Luncheon Club AIDS Support Group started in my electorate in November 1993 and is a registered charity for taxation purposes. Every Monday the luncheon club offers lunch free of charge to people who are living with or affected by HIV or AIDS. Families, friends, partners, carers and children come along to support their loved one. HIV sufferers are able to support each other and to build a social network, and as well they get a nice lunch.

Until recently, the luncheon club has also had a larder program, under which it has been able to provide food and other essential items free of charge, because people who are living on the disability pension find it very difficult to pay for the medication they need in order to combat their HIV, as well as all of their other associated expenses. The luncheon club is really struggling at the moment. I met with the organisation recently to go over some of the things we can do to improve its financial situation. But this is just one organisation; there are literally hundreds that support people who live in my electorate.

While I support these measures that make it easier for Australians to donate to these organisations, I make the point that in the last 12 months I have become increasingly worried about the number of organisations in my electorate that have lost their deductible gift recipient status. I know that a number of organisations have been audited recently by the Australian Taxation Office—some of them a number of times over a very short period—in order to establish that they meet the criteria for retaining DGR status. They are forced to go through what is really a very arduous process to prove that they are charities—to itemise carefully all of their different functions and the varied work they do, in order to show that they meet the criteria.

Apparently, the ATO has stepped up its auditing of non-profit organisations to ensure that they are entitled to the tax concessions that they are claiming. The ATO's compliance program priorities for 2005-06 include 'testing the integrity of endorsed deductible gift recipient status organisations and tax concessions charities'. Losing DGR status results in substantial financial losses for these organisations. Their staff effectively lose money because they are no longer able to salary package a proportion of their wage. They have an increased tax burden. They are no longer able to accept donations and they can no longer apply for or receive philanthropic grants.

This move really began in 2003, when the government threatened to introduce the charities bill, which sought to remove charitable status from organisations which engaged in advocacy. In short, the government basically said, 'If you help homeless people, that's all right, but if you say there shouldn't be so many homeless people, you become an advocate and you lose your funding.' It reminded me of what Brazilian bishop Dom Helder Camara said:

If I give food to the poor they call me a saint. If I ask why the poor have no food, they call me a communist.

It is important to note this threat of losing charitable status if you are advocating for the people that you are trying to help: instead of just giving them handouts, if you actually stick up for them, you are threatened with losing your charitable status. That is a very serious threat for these organisations.

A great amount of work has been done by the Australia Institute. One of their reports shows that 70 per cent of organisations report that the funding restricts their ability to comment on government policy and that 76 per cent of these organisations disagreed with the statement that current Australian political culture encourages public debate. Firstly, these organisations fear that they will lose their public funding if they criticise the government. Secondly, if they get no funding, how does the government get to them? If they have no government funding, the way the government gets to them is by taking their charitable status away from them, making sure that they are too frightened to make public comments. So the deductible gift recipient status audits are one way of intimidating some organisations. Losing their government funding is another. Another way, of course, is the confidentiality agreements that charities are made to sign when they do a lot of—

Mr Dutton—Mr Deputy Speaker, I take a point of order regarding relevance to the bill that is being debated at the moment. The honourable member made mention of schedule 5. Her contribution bears no relevance whatsoever to schedule 5 of the bill, which extends gift recipient status to two specific organisations. The nonsense and the hollow rhetoric cannot be of assistance to this debate.

The DEPUTY SPEAKER—The minister cannot debate the matter under the guise of a point of order. I do understand the minister's comments but the chair has never been strict regarding the rules in relation to relevance. There is a broad relevance, so I permit the debate to continue.

Ms PLIBERSEK—Are you trying to shut down the debate in here as well? You don't like the charities telling the truth about this government; you don't like members of the opposition telling the truth about this government either.

Mr Dutton—You're just a fraud, that's all. Stick to the facts.

The DEPUTY SPEAKER—Order! The minister should not interject or he will not be able to make his reply.

Ms PLIBERSEK—Throw him out. I was talking about deductible gift recipient status, which, quite clearly, this legislation does cover, and I was talking about confidentiality agreements for these organisations. Because the government has pulled out of providing a whole lot of social services, it is asking the charities to provide those. Where the charities do pick up the contracts, they are asked to sign a confidentiality agreement which, again, prevents them from commenting when they believe that government policy is wrong.

A study by Clive Hamilton and Sarah Maddison of the Australia Institute, which I mentioned a moment ago, called *Silencing dissent*, shows that these organisations in many cases are clearly frightened of criticising the government. One of the leaders in persecuting organisations that are advocates has been the Institute of Public Affairs, a conservative think tank which, incidentally, has charitable status and which has referred to these organisations as 'cached-up non-government organisations which are an unrepresentative dictatorship of the articulate'.

The Institute of Public Affairs, incidentally, received \$50,000 of government funding to audit non-government organisations to determine whether they were legitimate representatives of the people whom they claim as their clients. Incidentally, the Institute of Public Affairs, which received this \$50,000 in government funding, whilst it is a charitable organisation, does not disclose its donors, which of course is one of the criticisms that it makes of these other organisations.

The churches, amongst other organisations, have really been caught in this sandwich. If they are working to relieve poverty once it is obvious in the community, that is okay; if they want to talk about why poverty exists in a country as wealthy as Australia, at a time when it is raining cash from the resources boom, then they have their charitable status threatened.

Obviously, no government likes to be criticised—none of us take it well. But previous governments have understood that, in a healthy and strong democracy, people who advocate for the most disadvantaged members of our community should not be punished for standing up for those people. It is vital for democracy, in fact, to have people standing up for the most disadvantaged members of our community, to make sure that their voices are represented when decisions are being made.

Since the 2001 inquiry into the definition of charities and related organisations, and the proposed charities bill in 2003—the bill that lapsed—many organisations have argued for a rethink on laws and regulations relating to charities. At the end of last year Jobs Australia and ACOSS released a discussion paper floating an idea relating to the reform of charities, the definition of a charity, regulations relating to charities and categorisation. They are calling for a more modern definition of a charity. We are still working with a

definition from 1891. It goes without saying that the role of these organisations has changed significantly since then. It may well be worth modernising and harmonising the regulation of various tax statuses so that the current confusions over whether an organisation is a charity, a public benevolent institution or a deductible gift recipient are removed.

ACOSS has suggested that we consider the establishment of a charities commission, similar to the one in the UK. The commission would act as a gatekeeper of charitable status at a federal level. It would mean that the regulation of many of these non-government organisations and their tax treatment would be at arm's length from the government. That would allow these organisations to continue to play the important role they play in the community without fearing that, if they are too outspoken, they will lose their tax deductibility status. Advocates of a charities commission argue that it would streamline and improve the overall regulation of charities as well as harmonise the accountability requirements placed on charities and deductible gift recipients by state and Commonwealth regulators and departments. I think that is well worth considering.

I mentioned some research earlier by Sarah Maddison and Clive Hamilton from the Australia Institute. There has been a great deal of very interesting research also undertaken by another academic, Joan Staples, that goes through just how the government has used its funding and tax deductibility status to prevent a number of these organisations from saying what it is that they truly believe about the way that the most vulnerable people in Australian society have been treated. Joan Staples's research in this area is very relevant as well. This whole argument about the shutting down of the defenders of the most vulnerable people in the Australian community reminds me of what the founder

of the St Vincent de Paul Society, Frederic Ozanam, said. He said, 'Charity is the oil being poured on the wounded traveller, but it is the role of justice to prevent the attack.' I think that any system that helps pour the oil on the wounded traveller is worth supporting—of course I support that. But any system that actually prevents advocacy for justice for those people has serious flaws.

The DEPUTY SPEAKER (Hon. DJC Kerr)—I thank the honourable member for Sydney. I apologise to the member for Sydney for my intervention earlier in the debate, which led me to be less capable of administering admonishment to the minister when he later interjected.

Mr DUTTON (Dickson—Minister for Revenue and Assistant Treasurer) (11.05 am)—I thank you at the outset, Mr Deputy Speaker, for acknowledging shortcomings, including your own. Can I say thank you very much to the members who have taken part in this debate on the Tax Laws Amendment (2007 Measures No. 2) Bill 2007—except for the member for Sydney, I might say; that might have been the most painful 10 minutes of debate I have had to sit through in this parliament. It is a pity that she does not have the capacity to contribute along the same lines as perhaps the member for Barton would have been able to—a person who is able to contribute constructively and honestly to debate in this place. The contribution by the member for Sydney was, frankly, nothing more than an attempt to muddy the facts with the diatribe that she normally goes on with. It really is a sad reflection on her contribution in this place. I think the House should record the fact that the contribution that was made by the member for Sydney was not factual in any way. Nonetheless, I want to acknowledge in particular the member for Mitchell, Mr Cadman, who I think provided an exceptional contribution to this debate. He obviously went

through a very well-thought through process to compile his contribution. He should be recognised for that.

I also want to comment on some of the points that were made by the member for Prospect and, again, to correct some of the confusion and lack of factual basis in some of the comments that he made. The first point I make is that it takes time to amend law and to consult on the amendments. The opposition are running around this place and in the business community, on one hand saying that we do not consult enough with business and then, to a separate audience, saying that we take too long to implement changes and amendments to the law. The fact is that they cannot have it both ways. They cannot argue that we need a further process of consultation and then argue at the same time that we should be making these decisions in a shorter period of time. It is like the other process that they are indulging in at the moment of telling one group that they can cut government expenditure, yet running into the next room and, in that speech, talking about further government largesse, about how they would be able to provide more money for them were they in government. It is hypocritical, and it is a nonsense to suggest that you can have one with the other. They are really showing their ignorance about the consultation process that is undertaken.

The government remains very committed to conducting a timely consultation process. But, when we talk about tax law, we are talking about complicated amendments to the law. They need to be properly thought through, and we need properly to be able to engage with people in the business community and with other stakeholders to make sure that we provide for best practice to keep this economy going as well as it is in the current day.

I also note the member for Prospect's claim that the government opposed referral of TLAB7 to a Senate committee. I encourage the member, again, to get his facts straight on this issue, because it was the government that initially sought to refer the bill. Labor said that this was not needed, and then it was actually Labor which did the backflip to seek a referral of the bill. So that also needs to be recorded, as part of my contribution to this debate, to correct some of the non-factual contributions made by those opposite.

Schedule 1 to this bill makes amendments to the capital allowance system to clarify how mining, quarrying and prospecting rights are depreciated. The changes align the treatment of these assets more closely with other depreciating assets and ensure that the provisions operate as intended.

Schedule 2 to this bill improves the fairness of the taxation rules applying to income earned from certain boating activities, while ensuring that the tax system cannot be used to subsidise the private use of boats. This schedule implements the government's decision to allow taxpayers to deduct expenses denied under the current rules, up to the amount of boating income earned.

Schedule 3 to this bill improves the operation of the R&D tax offset for small and medium businesses, ensuring that the law reflects the government's original policy intent for the offset. These amendments will ensure that all companies in a group are covered by the R&D tax offset provisions and extend the time companies have to choose the offset. The amendments will also allow companies to object to decisions made by the Commissioner of Taxation regarding the allowable amount of the offset. Further, the amendments ensure that the existing exception to the minimum expenditure of \$20,000 for contracted expenditure to a registered re-

search agency applies to both R&D tax deductions and the R&D tax offset.

Schedule 4 delivers the government's 2006-07 budget announcement to extend the gift provisions to promote philanthropic giving. The amendments will allow taxpayers to claim a tax deduction for the donation of certain publicly listed shares to deductible gift recipients. Schedule 5 to the bill further demonstrates the government's support for philanthropy by amending the list of deductible gift recipients in the tax legislation to extend the current listing for the Finding Sydney Foundation and to list the American Australian Association Ltd and the Bunbury Diocese Cathedral Rebuilding Fund. Deductible gift recipient status will assist these organisations to attract public support for their activities. Further, schedule 6 to this bill extends the eligibility for tax deductions for contributions to deductible gift recipients where an associated minor benefit is received with an eligible fundraising event.

Schedule 7 of this bill makes technical amendments to ensure that the definition of 'exempt entity' covers all entities exempt under the income tax law. Schedule 8 to this bill amends the venture capital regime to relax the eligibility requirements for foreign residents investing in venture capital limited partnerships and Australian venture capital funds. It introduces a new set of taxation concessions for Australian residents and foreign residents investing in early-stage venture capital activities. This is achieved through a new investment vehicle called an 'early-stage venture capital limited partnership'.

The \$250 million divestment requirement is reasonable because the government is introducing generous tax concessions for early-stage vehicles. Given the emphasis on start-up and seed capital, the need for ongoing tax concessions once an entity reaches the size

of \$250 million diminishes. Moreover, if the partnership divests the entity into a venture capital limited partnership as it approaches the \$250 million limit, it can continue to attract tax-free gains without any divestment requirement. The requirement to divest once an entity reaches \$250 million applies for up to six months after the end of an income year, and this provides ample opportunity for divestment to occur. This measure further demonstrates that the government's ongoing support for new business continues, and the promotion of industry innovation will always be supported by this government.

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

The DEPUTY SPEAKER (Hon. DJC Kerr)—The original question was that this bill be now read a second time. To this the honourable member for Prospect has moved as an amendment that all words after 'That' be omitted with a view to substituting other words. The question now is that the words proposed to be omitted stand part of the question.

Question agreed to.

Original question agreed to.

Bill read a second time.

Message from the Governor-General recommending appropriation announced.

Third Reading

Mr DUTTON (Dickson—Minister for Revenue and Assistant Treasurer) (11.14 am)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

**FAMILIES, COMMUNITY SERVICES
AND INDIGENOUS AFFAIRS
LEGISLATION AMENDMENT (CHILD
SUPPORT REFORM CONSOLIDATION
AND OTHER MEASURES) BILL 2007**

Second Reading

Debate resumed from 29 March, on motion by **Mr Brough**:

That this bill be now read a second time.

Ms MACKLIN (Jagajaga) (11.15 am)—This bill is the next legislative stage in the government's 2006 reforms to the child support system. The Families, Community Services and Indigenous Affairs Legislation Amendment (Child Support Reform Consolidation and Other Measures) Bill 2007 contains a significant number of technical and consequential amendments following from the original two pieces of child support reform legislation considered by the parliament last year. Labor supported these previous child support reform bills in the parliament, after expressing our reservations that the government had failed to provide protection for low-income families, who may lose income as a result of the changes to the scheme. Labor will support the legislation before us today. However, we remain concerned about protection for low-income families, which has not to date been adequately resolved. I move:

That all words after "That" be omitted with a view to substituting the following words: "whilst not declining to give the bill a second reading, the House expresses its serious concern that the Government's child support reforms do not provide adequate protection against income reductions for low income households raising children".

The bill also incorporates relevant amendments relocated from the Child Support Legislation Amendment Bill 2004, which Labor was intending to support. We note that the government is set to withdraw that bill from the *Notice Paper* and we are happy for that

to occur. This amendment bill includes a range of non child support changes to various pensions and family payments, including the payment of the baby bonus in instalments to mothers aged under 18 years and the extension of the pension assets test, from 12 months to 24 months, following the sale of the principal home. Labor welcomes both of these initiatives. Not only are they good policy; they are also suggestions that we put forward in the first place. If the government continues to run out of fresh ideas, we are obviously keen to help.

The Child Support Scheme was, as I am sure everyone is aware, set up in 1988 by the Hawke Labor government, and it has become an international model and the basis of a similar scheme established in the United Kingdom. I do, however, acknowledge the genuine concerns about the scheme, including the fairness of the scheme, the assessment formula and, in particular, compliance. I reiterate that Labor acknowledges the need for reform of our child support system. The view we take to the reform challenge, however, is that fundamentally the interests and wellbeing of children must come first and that, as far as possible, child support policies should serve to support the child in secure and in economically acceptable conditions.

When it comes to child support, the reform process has been lengthy. The House of Representatives Standing Committee on Family and Community Affairs report *Every picture tells a story* dealt with child support and other family separation issues and made 29 bipartisan recommendations. Among its recommendations was the establishment of a ministerial task force to evaluate the Child Support Scheme, including establishing the costs of children's upbringing after parental separation, recognising the different income levels of households and reflecting the costs for both parents of maintaining meaningful contact with their children.

The May 2005 report of the Ministerial Taskforce on Child Support, otherwise known as the Parkinson report, was the first systematic evaluation of child support arrangements. It recommended a new formula for child support assessment based on evidence of the actual costs of raising children, the shared parental responsibility for those costs and recognition of each parent's level of care. The report examined the scheme, using sound principles, and it was generally well received. Labor believes that the report provides a constructive basis for moving forward on child support reform.

Last year the parliament passed two bills which implemented this new Child Support Scheme, including a new payment formula. While not all the recommendations of the Parkinson report were adopted and the new scheme was not entirely to our satisfaction, Labor did support those bills. As I said, today's bill makes further amendments to the new Child Support Scheme. It is a lengthy bill, with 12 schedules and 178 pages, so I am not going to be able to cover all the amendments. But I do want to touch on, in particular, a number of issues which were raised in evidence given just last week at the Senate inquiry into this bill. The first issue is that these proposed amendments have not raised many new concerns—many of the concerns raised at the Senate inquiry were also raised when the original bill was debated. The second issue, which is perhaps related to the first, is that the new Child Support Scheme is still contentious and many of the previous concerns, especially with regard to the impact of the new regime, have not been fully addressed.

The Department of Families, Community Services and Indigenous Affairs, the agency responsible for child support policy, told the Senate inquiry that the implementation of the new regime is not progressing as smoothly as should be expected. The promised stake-

holder reference group has met only once this year and there is still a lack of detailed information on the impact on families of the new formula and the new arrangements. Giving evidence at the recent Senate inquiry into the bill, Jaqueline Taylor, from the National Council of Single Mothers and their Children, said:

... calculating the financial impact on single mother families post July next year has actually been an incredibly difficult thing to do because there is nothing available to help us with that. There has been no modelling done by the government to actually calculate the impact that these changes will have on sole parent families and we cannot forget that this is also in conjunction with Welfare to Work and the loss of income from that.

So I ask the government to make this issue a priority and do the necessary research to look at the impacts of the changes that have been enacted. We believe that the government has a responsibility to make sure that the wellbeing of children is not compromised by the combined impact of these policy changes, especially the Welfare to Work changes. We acknowledge the concerns of many resident parents that they will receive lower child support payments under the new formula.

At the request of the ministerial task force, NATSEM modelled some of the impacts of the new formula. That modelling showed resident parents on annual incomes of \$26,000 or less will incur the biggest reductions in child support payments. For example, where the non-resident parent earns \$78,000, a resident parent with an income of \$26,000 will be \$50 a week worse off. That is certainly a lot of money for a parent earning \$26,000 a year. These families are already amongst the most economically marginalised in the country. Ninety-one per cent of these families, according to the Child Support Agency's own data, are headed by mothers. Only four per cent of these families have incomes over \$50,000 a year and 75 per

cent raise their children on incomes below \$20,000. We know that supporting parents who are getting by without paid work or are managing on low part-time wages are frequently surviving on incomes well below the poverty line. So more account certainly needs to be taken of these issues, and we look forward to the research being done by the department.

It is also important that we look at these changes in the context of not only the new system that has been put in place but also the recent Welfare to Work changes that are having a big impact on many of these families. On the one hand, we have family law and child support law encouraging shared parenting and an acknowledgement that between 35 per cent and 65 per cent of care is considered to be shared. On the other hand, under the income support policies of this government's Welfare to Work changes only one parent can be given principal carer status, and the important concessions in terms of activity requirements can leave the other parent and the children exceptionally vulnerable. I would like to quote Ms Taylor from the National Council of Single Mothers and their Children again. She said this about a case presented by the council to the Senate inquiry:

There is one in particular where a single mum in country Victoria has shared care of her toddler child, a very young child. She does not have principal carer status because her partner bullied her into making sure he got it. Centrelink assigned it to him. They have within the 10 per cent range of the fifty-fifty, so Centrelink have made their decision against her in favour of him. So she is what is known as a generic job seeker where she is on Newstart with child rate but has full-time obligations to look for work and to do anything that the Job Network requires of her to accept full-time employment. She has none of the protections that you get with principal carer status such as part-time work, no suitable child care available, the 60-minute travel rule—hers is 90 minutes. She

has no access to a pensioner concession card, so she is in a seriously disadvantaged situation.

Labor is closely monitoring the impact of the intersection of the Welfare to Work laws, the importance of principal carer status, the promotion of shared care under family law and these child support changes to make sure that parents with largely shared caring responsibility are not disadvantaged.

I wish to turn to some other provisions in the bill. As far as the administrative review provisions are concerned, the bill makes technical changes to the process of administrative and judicial review of decisions in child support cases by the Social Security Appeals Tribunal—the SSAT—or by the courts. One of these changes concerns 'out of time' applications to the SSAT for a review of a child support decision. Currently the executive director of the SSAT has 60 days to make a decision about allowing such an application, and if the decision is not taken in the time frame the application is deemed to have been refused. This deeming provision will be removed by this bill and, according to the explanatory memorandum, the mechanism for ensuring timeliness in decision making will be left to 'other mechanisms, such as the SSAT's reporting requirements'. Clearly, the inflexibility of the deeming provisions could cause problems. However, relying on vague mechanisms such as 'reporting requirements' does not necessarily adequately address the issue of delays. The Law Council of Australia, in its submission to the Senate inquiry into the bill, expressed concern over item 64 of the bill's schedule 1. This provision gives the SSAT the power to make a determination about which documents are relevant to the review of its decision by the court conducting that review. The Law Council is 'concerned about the appropriateness of this amendment' and believes it is preferable that the court be entitled to review all documents to determine

which are relevant in a decision on the matter before it.

The bill also makes amendments to clarify situations when a court makes orders for the repayment of child support where payments have been made by a person who is not the parent of the child. Under these provisions a mere suspicion on the part of either parent that the payer was not the parent of the child is a factor relevant for the court to consider in making an order on possible repayment, even when this suspicion or knowledge falls short of a reasonable doubt about parentage. Another proposed section goes to the grounds for departure from the formula in relation to stepchildren. The new regime allows for the child support formula to be departed from where the family cares for a stepchild. Any consideration of the appropriateness of a departure in these circumstances requires consideration of the effects of such an order on the parents, the child support children and any other persons that the parents have a duty to support. However, currently the effect on a stepchild is not considered. The amendments will include consideration of the effect on the stepchild.

Schedule 5 deals with changes to the maintenance income test provisions in the A New Tax System (Family Assistance) Act 1999. These amendments will clarify the definitions of 'amount received' and 'amount payable' in the child support formula. They will also clarify that maintenance income received by a payee for one or more children will reduce the payee's amount of family tax benefit part A above the base rate for those children only.

Currently ongoing child support can only be collected from employers if the payer is a wage or salary earner or they receive a Centrelink payment. This amendment in the bill today will broaden the agency's power to issue notices requiring the deduction of child

support and the forwarding of that deduction to the Child Support Agency to include cases where the payer is under contract for service arrangements that are, effectively, substituting for wages. This change effectively extends the reach of the ongoing collection system to independent contractors who are employees. Labor supports this change. Other aspects of the family payment system are also amended by the bill but, given the time available, I just want to indicate our support for those.

Another significant change in this bill, unrelated to child support, is to require that the baby bonus be paid in 13 instalments to parents under the age of 18. There is an unfortunate tendency for some to portray young mums in a negative fashion. I certainly do not support that sort of reporting. However, it has been noticed among some welfare groups and social workers that there have been disturbing occurrences of young mothers being abused and exploited over their baby bonus payments. Young women are in a position of special vulnerability when it comes to these issues. Some domestic violence services have reported levels of abuse rising sharply around the time the bonus is paid. Unfortunately, it is true that women are handing over the money just to get rid of a violent partner. There are far too many stories of young mothers being exploited for their baby bonus money. Governments have a responsibility to make sure that efforts to help families at a critical time are not misdirected by desperate or selfish people to have children they neither want nor care for.

On this basis we support the government's changes to fortnightly payments for young mothers—something we have been pressing for. We also support the common sense change in the name for the maternity payment to be officially known by what we all call it—the baby bonus. All family payments will now also be conditional on the registra-

tion of the birth. Some people might find this amendment surprising but such a change will be helpful.

In their submission to the Senate inquiry, the Australian Bureau of Statistics said that the registration requirement would improve the accuracy of Australia's demographic statistical collections. They said:

Births to mothers in their 30s are more likely to be registered promptly whereas births to younger mothers aged under 24 years were likely to be registered later. It is expected that the proposed requirement to have all births registered before applying for the baby bonus may result in a change in parents' behaviour.

We hope that the change will be positive and that the tendency for late registration of births among those from very disadvantaged backgrounds will be reduced.

Of all births registered in Australia in 2005, 22 per cent of Indigenous births occurred in 2004 or earlier. So there is evidence in the Indigenous community of the need for this change. For exnuptial births, where paternity was not acknowledged or where a mother is not married and the father's details are not on the birth certificate, over 23 per cent of births registered in 2005 were for babies born in 2004 or earlier. This new requirement must be implemented in such a way that those with particular vulnerabilities are not disadvantaged. We do not want them to be missing out on any payments and I hope that those responsible will make sure that the parents who are vulnerable know the full implications of this change.

The other Labor proposal that the government is adopting in this bill is an amendment to the Social Security Act and the Veterans' Entitlements Act to extend the pension assets test exemption period, from 12 months to 24 months, following the sale of the principal home. Labor proposed an amendment to the Social Security Act in 2006 along similar lines to support pensioners who were

unable to have their new home built during the 12-month period due to delays caused by the skills shortage. The 12-month rule was particularly affecting pensioners trying to build a new home and being delayed by the serious skills crisis that, frankly, is a responsibility of this government.

Under the current arrangements, a person has 12 months to sell their existing home and construct a new home before the proceeds of the sale of their existing home become an assessable asset. Because of the huge skills shortage and therefore the delay in building completion dates, a number of pensioners have been unable to get their home completed within the 12-month time frame. Stories of people waiting for tradespeople to turn up are very well known to everyone. Labor was concerned about the impact on pensioners of the delays that forced them to be caught up in these assets test rules. It now appears that the government has caught up, and I am pleased to see this change in this bill.

The changes to the remote area allowance are also welcome. The remote area allowance is a payment for income support recipients who receive no or little benefit from the income zone tax offset through the tax system. It is income- and asset-test free and paid at single and couple rates, with an additional rate for each dependent child. The child support reforms that take effect from July 2008 introduce the concept of a 'regular care child'. That is a child who is cared for by a parent for at least 14 per cent and less than 35 per cent of the time. The bill provides for the rate of remote area allowance to be increased by an additional allowance for each regular care child in a family in addition to each FTB child. So it does provide extra support to families, and it is welcomed by Labor.

We also support the changes to allow family tax benefits to continue to be paid to members of the Australian Defence Force and members of the Australian Federal Police International Deployment Group who are deployed overseas. Normally FTB is only payable at the full rate to people temporarily overseas for up to 13 weeks. Discretion to extend that period exists where certain prescribed events prevent or delay their return. Presently, ADF and AFP personnel on overseas deployment are not covered adequately by this discretion. This bill makes amendments to rectify that deficiency.

So, as I have indicated, Labor supports this lengthy amendment bill. However, I do want to reiterate our serious and ongoing concerns with the impact of the new Child Support Scheme on low-income families.

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

Ms George—I second the amendment.

The DEPUTY SPEAKER—I thank the member for Throsby.

Ms GEORGE (Throsby) (11.38 am)—The bill before us for debate today—the Families, Community Services and Indigenous Affairs Legislation Amendment (Child Support Reform Consolidation and Other Measures) Bill 2007—follows two substantial pieces of legislation that were debated last year. Those bills arose in response to the bipartisan recommendations of the original report of the House of Representatives Standing Committee on Family and Community Affairs, *Every picture tells a story*. I was pleased to be a member of that committee, which worked very hard to try and institute some very fundamental changes both to family law and to the Child Support Scheme and the formula in particular. It was left to the committee chaired by Professor Parkinson to come up with a range of detailed rec-

ommendations that go to the heart of the Child Support Scheme.

The government announced major changes to the scheme in February last year, and, as I say, today is part of the ongoing process of trying to give effect to the recommendations of both the House of Representatives committee and the Parkinson task force.

The bill before us today contains a number of significant technical and consequential amendments that flow from the original legislation. It also incorporates relevant amendments relocated from the Child Support Legislation Amendment Bill 2004. The shadow minister has spoken at length on a number of the proposals contained in this bill and the proposed changes. I do not intend to elaborate on those in any greater detail, because I want to focus my remarks specifically on matters relating to child support.

As the shadow minister, the member for Jagajaga, outlined to the House, the introduction of the child support system back in 1988 was a very important and innovative measure introduced by the Hawke Labor government. It was important at that time because it aimed to strike a fair balance between public and private forms of support for children where marriages had broken down, and to alleviate the poverty that we all know exists in sole parent families, particularly those struggling families with mum at the head of the family unit. We all know that sole parent families raising children are likely to be very much at the bottom of the income scale and at the bottom of the scale in terms of wellbeing and living standards.

So we on this side of the chamber have always had a view that any child support policy must put the interests of children first, must aim to reduce child poverty and must operate in a way that encourages both parents, post separation, to continue to contrib-

ute to their children's wellbeing. It must encourage both parents to maintain ongoing roles in their children's lives. We, as members of parliament, know that hitherto that often has not been the case. So I do, in general terms, welcome many of the long-overdue changes that will come with the introduction of the staged changes to the system and to the formula in particular. But, as the member for Jagajaga made clear, our support for the package overall continues to be conditional on improved protection against income reductions for low-income households raising children. I will return to that point a little later.

I think it was regrettable that, as members of this House, we were not in a position to debate the changes to the Child Support Scheme and the formula as a total package. If we had been able to, it would have been easier for all of us to assess the winners and the losers and to take into account the equity considerations of justice and fairness that have to be part of the eventual outcomes. As we know, these changes are coming in three tranches. Today we are debating some of those changes, but the final package of reforms will only come into existence in July next year.

You cannot argue against the fact that the existing formula has been the cause of a great deal of angst in the community. Research undertaken by the Australian Institute of Family Studies found that more than 60 per cent of non-resident fathers and 45 per cent of resident mothers think the system is not working well. This was substantially confirmed in the evidence that came before us in the inquiry that led to the very important, ground-breaking report, *Every picture tells a story*. As I and all MPs know, many constituents who have come to see us have raised concerns about the application of a formula that they perceived to encompass many anomalies and that they believed

needed to be rectified. So the changes that we have already seen are generally welcomed and supported. I want to refer to some of these because they are matters that have been the cause of complaint to me as the member for Throsby.

From July 2006, when the first major reforms came into being, we recognised non-resident parents on income support who have contact with their children for at least one night a week by the payment of a higher allowance. We enabled parents who pay child support to spend a greater percentage of their payments directly on their children and to nominate the areas that they wanted those funds to be targeted at. So up to 30 per cent of child support payments can now in fact be directly attributed to the desire of the non-resident parent as to how that expenditure should be met. We have certainly beefed up action to ensure child support is paid on time and in full. We all know cases where people have deliberately avoided their responsibilities for payment of child support. We also know of the huge number of people in the system who were paying just the bare minimum of \$5 a week. Compliance was a problem, with only around half of all parents making their payments in full and on time, and I want to say a bit about that in a moment.

There was some debate about the reduction in the cap at the top level, where we saw the cap reduced from around \$140,000 to \$105,000. But I do believe that, in the context of the total package, this change will bring payments much more into line with the actual costs of raising children. We improved support for separating families through the family relationship centres. I am very pleased that we have one in Wollongong, which I have visited, and I know the great job that it is performing in assisting local families. We increased minimum payments. In my view they are not sufficient, but they

have gone up from \$5 a week to just over \$6 and in future will be indexed to the CPI.

In the second stage of the changes, operative from January this year, there is now the capacity for an independent review of Child Support Agency decisions through the Social Security Appeals Tribunal. Many parents who have visited me have complained about the high legal costs in challenging decisions of the CSA when they have to go through a court process. I think it will remove the immense financial burden on people who are unhappy with outcomes as a result of decisions made by the agencies.

Importantly, too, since January this year parents will be provided with more time to work out their parenting arrangements before their family payments are affected. Previously, a separated parent was allowed only 28 days in which to take action to obtain child support payments before their family tax benefit A payments were affected. This time frame, as I know from personal experience, often caused conflict between separating parents, often undermining their ability to reach agreement on parenting arrangements or, in some cases, even to reconcile the differences which led to the breakdown in their marriage or relationship. I am pleased that, from January this year, the time limit will be extended from 28 days to 13 weeks.

Early indications of the impact of these legislative changes have in fact been very heartening. Recent data from the Child Support Agency showed that more separated or divorced couples are now embracing shared parenting arrangements—not as much as we would like, but it is heading in the right direction—and that an increasing number of fathers are taking on the role of primary carer. In 2006 about 21 per cent of new cases listed fathers as the primary care giver, compared with just 7½ per cent in 1997. I am

pleased to see an increase in contact between non-custodial parents and their children, with the number of those parents who see their children 30 per cent or more of nights a year doubling—from a low base but nevertheless doubling—in the recent period. I think these factors are a growing indication of changes in attitude in custody disputes, which is a good thing, especially for children in situations of marital breakdown.

I am also pleased that the Child Support Agency and the tax office have been more proactive in putting the squeeze on what are described as child support cheats. We all know of cases where people deliberately minimise their assessable taxable income to avoid their obligations to their children. It was recently reported that more than 35,000 divorced parents, mainly fathers, have been forced to pay \$13 million in a major tax office crackdown on parents who do not file their tax returns in order to avoid paying their legal child support obligations.

Senator Ellison recently commented that this new program was expected to net some \$460 million in child support payments over the next four years. We certainly hope that occurs, because there have been many sole parent families left in the lurch by people deliberately falsifying or minimising their assessable taxable income to avoid their obligations of financial contribution to raising their children.

From July next year we will see the final stage of the long-awaited changes to the formula for calculating child support—a new formula that will form the basis for the calculation of child support. For the first time we will have a formula which will be based on our own Australian research and provide a more objective and realistic assessment of the actual costs of raising children. The formula will treat the incomes and living costs of both parents more equitably and take into

account the fact that older children cost more to raise. It will also ensure that children from first and second families are treated more equitably. That has been a major cause of complaint from constituents who ask me why children of subsequent partnering and marriage are treated less favourably than children from the first marriage.

These changes will see parents share in the cost of supporting their children according to their capacity to pay. The new proposals and the new formula move away from the principle that the existing formula is based on—that is, the principle of continuity of expenditure, which somehow tries to artificially maintain the intact family standard of living post separation. Something that has always baffled me and I have found hard to explain to my constituents is the basis of the percentages in the current formula and how they apply in a fair way. I think that for the first time, in moving towards an income-sharing approach, we will have a far more objective and scientific basis on which to respond to those issues. I think the new formula will better reflect the principle of shared parental responsibility and better reflect the changes in workforce participation by women. It is proposed that in future the cost of raising children will be based on the parents' combined income, with the costs distributed between the mother and the father, or the resident and non-resident parent, in accordance with their respective share of that combined income and their level of contact with their children. Both parents will now have a component for their self-support deducted from the income table.

Very importantly, in moving away from the arbitrary percentages that we have had applied in the past, we will for the first time, courtesy of the fantastic work done by the University of Canberra's National Centre for Social and Economic Modelling, have a much more objective and realistic assess-

ment of the actual cost of raising children. As NATSEM themselves argue, the calculations can never be perfect; but they will be as close as researchers believe it is possible to be. For example, they have estimated that for a single child up to the age of four the average cost of care is \$91 per week in a two-parent family and \$115 per week in a single-parent family. For a five- to 12-year old, the cost rose to \$95 per week in a two-income family and \$119 per week in a single-parent family. I give those examples to make the point that it will be much easier to address the constant complaints and concerns when you can say to people who come to see you that at least, for the first time, we have the best calculations possible as to the actual cost of raising children today.

Some people have argued with me that high-income earners appear to be favoured and advantaged by these changes and asked me whether I think that is fair. I guess that is a judgement people will come to in regard to their individual assessments, but I would note that a non-resident parent supporting two children under the age of 12 would still be making payments in the order of \$472 per week at the top end and that those payments are in fact higher than the objective data that NATSEM has produced on the cost of raising children. So, even though initially it might appear that it skews the advantage to high-income earners, when you look at the reduction in the cap against the actual costs I think you see that there is a measure of fairness in it. As I indicated earlier, the task force recommended an increase in the self-support amount, that it should be the same for both parents and that children from first and second families and partnerships ought to be treated as equally as possible. The formula also recognises that regular face-to-face contact is an important component in assessing child support payments.

I have some concerns about the withdrawal rate for child support liability. It has been suggested that regular contact—that is, contact of at least five nights per fortnight—should entitle the non-resident parent to a 24 per cent reduction in their child support liability. I would urge the government to review that before the changes are introduced because I do feel that that rate of reduction is too high and, in fact, could have the unintended consequence of leaving too many sole parents—usually resident mums—in a more vulnerable position than they are in today. I think if we could revisit that 24 per cent reduction for the non-resident parent who has the child or children for at least five nights a fortnight, we might get to a better and fairer outcome and address some of the very important issues that the member for Jagajaga raised in her contribution. We still have time to do that before the final legislative changes are enacted.

I would like to talk about one example from evidence given to a Senate committee recently by Jaqueline Taylor from the National Council of Single Mothers and their Children. She said:

... calculating the financial impact on single mother families post July next year has actually been an incredibly difficult thing to do because there is nothing available to help us with that. There has been no modelling done by the government to actually calculate the impact that these changes will have on sole parent families and we cannot forget that this is also in conjunction with Welfare to Work and the loss of income from that. So it would be a great tragedy, in my view, if all the positive and innovative changes that recognise the anomalies and the difficulties inherent in the current formula were to falter on the rock of leaving some people, predominantly sole parent mums, in a more precarious and vulnerable position than they are now in. It is important for the government to ensure that the overall package is correlated

very closely and carefully with welfare policies and benefits to ensure that low-income households raising children are not left worse off than they are presently. I think it would be a terrible shame were child poverty levels to rise as an unintended consequence of the positive changes recommended by the Parkinson report. I am very pleased that I had the opportunity to participate in the review. I am very proud of the report we presented and I am very encouraged by the legislative changes that will shake up the family law system and child support in this country.

Mr HARDGRAVE (Moreton) (11.59 am)—Before turning to the provisions of the Families, Community Services and Indigenous Affairs Legislation Amendment (Child Support Reform Consolidation and Other Measures) Bill 2007, I wish to delay the House for a moment to congratulate the member for Throsby on her very carefully considered observations. I find virtually no fault with anything she has just said. I could leave my remarks there, to the relief of everyone, and take my seat, but I shall not. I would like to contribute to the discussion. The member for Throsby has, to my mind, outlined some very real circumstances. I am optimistic that Minister Brough, because of his great capacity to listen, will look very closely at what the member for Throsby has just said about single parents, and particularly single mothers, who may feel a sense of vulnerability. We in our various electorate offices see that every day. I am optimistic that Minister Brough will look very closely at what the member for Throsby said. I am certain that over the next 12 months he will ensure that by 1 July next year we have some of those matters put to rest.

It is absolutely important in this debate that we drive out any sense of victimhood. The member for Throsby is right to say that the minimum \$5, now \$6, contribution is not enough. That \$5 contribution was not in

place until the last decade—that minimum expectation of people, say, on a pension or benefit to make a contribution towards the raising of the child in the custody of the other parent. I do not think that \$5 is anywhere near enough. I do not want to see \$6. I want to see \$25. That might be a mark in the sand that I do not mind putting on the table.

Nothing annoys me more as a local member than to hear the stories of a delinquent and absent parent who does not even bother, who does not even try, to contribute any money towards the upkeep of their child. Recently I had in my office the case of a young woman with an ex-partner who, because of the way the family law system works, has to have a phone number for access and who uses that phone number to ring her and abuse her. He screams at her over the phone.

In saying that, I do not want to typecast the blokes as always being at fault. That is often not the case. There are circumstances like those of another case I had, in which a man and a woman's relationship broke down, which I am sure everyone would see as an absolute tragedy. They had a child between them. They had reached agreement on a sensible parenting plan, as they were encouraged to do, where essentially the wage structures of both were the same. Even though one cashed out part of their wage to receive a car from a state government department, basically their incomes were exactly the same. They had one child between them and they had reached agreement on a parenting plan of 50 per cent each looking after the child. The child had access to both parents. But the woman involved—and good luck to her—found another man and got married. She rang her former husband and said: 'I have to change the arrangements now. I am pregnant with another child, so I am going to retire from work and you are going to pay for me to have the baby.' This was because of the

way the system used to operate. He was now culpable because he was going to be the income earner. Under the way the system had operated in the past, he was the person who basically paid for his former wife to have a baby with someone else.

That is one of the reasons why there are people in my electorate who are just hanging on for the changes, which the member for Throsby and others no doubt will outline, at the start of next year, where we will see the more equitable treatment of both parents' incomes being taken into account. We will see a further decline in the situation where people use child support as a form of revenge on the previous partner. They use it as a means of financially beating up or controlling that person. So I applaud Minister Brough for the continuation of his efforts. I saw the Minister for Defence here a moment ago—he has other duties. As the supreme commander of the south-west Pacific he has many duties, no doubt. When we came to office in 1996 we inherited this system of child support, which was more fledgling than it is today and needed a lot of work. A number of us worked with then Minister Jocelyn Newman to effect some changes. It has taken a long time to drive them along. I remember that the member for Chifley in the previous Keating government chaired an inquiry into this, saying: 'Mate, don't let it slip. You've got to ensure that there is better treatment of this, that we see both parents' incomes being counted.'

In hammering this point I am probably ruining your career, Member for Throsby, but I am saying that I think your contribution today was very good and I think it shows that there is some real concern and effort on both sides of the chamber on this matter. What we want to see, ideally, is families staying intact, but we accept that that is, unfortunately, not always the case. The children must come first in these circumstances. The welfare of

the child must be paramount. I am also looking forward to work being done to remove this formula and to perhaps individualise better the circumstances and the costs of raising children. As the parent of two teenagers, I know that they are far more expensive than when they were young kids. So I am very pleased with, and enormously proud of, the work this government has been doing in this important area.

But this bill is not just about child support reform. It contains a number of other measures. We have spent a bit of time this morning talking about child support matters because they are important, but the other measures are equally important. The bill deals with social security and veterans matters. It amends the veterans' entitlements legislation in regard to the sale of a principal home. These homes have been asset tax exempt if the person is likely to use the proceeds to buy another home. The previous provisions have applied within 12 months. We have listened, and we have recognised what is going on in the real world. It takes a bit longer for many people to build a home than maybe that 12-month period. They have to find another place to put that money and they do not see it as an unspent asset sitting in the bank. To give people 24 months, not 12 months, is one of the measures in this bill. Equally, the bill makes amendments relating to income streams. A number of minor amendments are aimed at enhancing and improving the efficacy and the efficiency of various income-stream rules.

The bill also makes changes to the payment of the baby bonus. A few older people in my electorate have made their complaints obvious to me about the way in which the government has been making payments of the baby bonus, the \$4,000—'One for you, one for your wife and one for the country,' said the Treasurer. Many people have been taking up the baby bonus. It does not meet

the full cost of a child coming into the world. It is about encouraging people on the margins in their decision to have a baby. If it is a financial reason that is stopping them—that is, if you can make these decisions and get the timing right—this \$4,000 baby bonus helps people through that.

There has been genuine concern about many single parents, and I know that the Minister for Families, Community Services and Indigenous Affairs has made it plain that in some Indigenous communities there have been real ramifications for young women in this regard. For under 18-year-olds we are now going to put in place a formal system of instalments. We are going to pay the baby bonus in 13 fortnightly instalments, require the registration of the birth by the relevant state or territory authority as a condition of eligibility and rename the maternity payment the 'baby bonus'. The concept is very plain. It is about not allowing any sets of circumstances whereby people see a profit out of pregnancy but realising that it is about assisting the creation of a nurturing environment for the child.

I know there will be a lot of older people in my electorate who will say: 'In our day we never received this assistance from government. Why are you doing it now?' Fertility rates have declined, our population is going to decline and our standard of living is going to decline over the next 20 or 30 years if we do not keep our population growing in a positive way so that we have productive members of our community able to earn a wage and pay the taxes and create the industries and all of the things that people of past generations have done. We are the only country, as I understand it, in the Western world that has turned around its birth rate and, in fact, has increased its birth rate. That may be due to the fact that we have identified ways to assist people on the margins look at the financial aspect when making the

decision to have a family. The situation is very positive in that regard.

Looking at the portability of family tax benefit, changes have been made to allow a portability period of 13 weeks for full payment. That is now being extended to members of the Australian Defence Force and certain Australian Federal Police personnel of the International Deployment Group. When they are deployed overseas as part of their duty and, in fact, remain overseas for longer than 13 weeks, we do not want to see them losing that family payment. We are tidying up in that respect. With Australia now involved in 10 deployments—we have never had a greater number of deployments overseas in our entire history—there are many thousands of great Australians serving our country in uniform in all sorts of places who do not deserve the impost of a system denying them access to family tax benefits. Therefore, I am pleased to support this measure. When I was in the Middle East a couple of weeks ago with the men and women of the HMAS *Toowoomba* and the men and women of the RAAF who were on flying missions in various parts in support of our effort to ensure Iraq remains free and gains the strength in its economy which will underpin its democracy, there were many people there who have families in Australia who will be advantaged by the efforts the government is introducing in this legislation.

We are also amending the maintenance income test provisions in the A New Tax System (Family Assistance) Act 1999 and clarifying the meaning of the words 'amount received' and 'amount payable'. These technical amendments clarify that maintenance income received by a payee for one or more children would reduce the payee's amount of family tax benefit A above the base rate for those children only. Such technical amendments may seem to delay the parliament from time to time but they have a critical

public face and a highly personal reach each and every time we deal with these matters.

The government's announcement in yesterday's budget to deliver more for Australian families—an additional \$4.5 billion committed over five years—will support families and children, people with disabilities, volunteers, Indigenous and older Australians. We are seeing the expenditure of \$50.6 billion a year across the portfolio administered by Minister Brough and Minister Scullion. The enormous \$2.1 billion childcare investment that was announced will see some very positive changes to the payment of the childcare tax rebate, which can now be brought forward and paid soon after the end of the financial year in which costs are incurred, at a cost of some \$1.4 billion over four years. This measure provides a very real dividend for people in my electorate where we have great childcare services and many people paying lots of money to them. We are now in a position to ensure that my constituents, and yours as well, Mr Deputy Speaker, are able to access more money—in fact, up to \$8,000—over the next few months, depending on their circumstances, to assist them in meeting the costs of child care. All of these massive amounts that are being expended by the government on behalf of the people of Australia require the careful administration that this government has brought to the task. The legislation before us has an even greater reach today than it would have had a week ago because of this major amount of additional assistance that the government is giving child care, child support and family assistance—growing the cake, growing the circumstances, growing the sense of support that can be offered.

The contrast will become very evident when we start to see the semblance of an address-in-reply and a contribution by those opposite. The challenge to those opposite in the course of this debate—to follow the ex-

ample of the member for Throsby, for one—is to not send to vulnerable people in the community the signal of victimisation being their way of life. In the whole area of family support, child care and indeed child support it is absolutely important that we encourage those people with a capacity to do for themselves to do so. The more we liberate people with the ability to do something for themselves first and foremost, and back those people, the more we can concentrate our efforts on those with no capacity to assist themselves. That is the simple difference between this side of the House and those opposite, who pretend they want to be in government later in the year and have no manifesto, no policies, no certainty—we would simply see a return to the way it used to be. One of the things that are very clear in any discussion about child support, as the member for Throsby suggested, is the fact that many families now have the challenge of balancing welfare to work, where many people on the margins are being encouraged—some might say ‘coerced’—to do for themselves first and foremost and not to wait for others to do it for them.

People are making decisions on the margins, putting their children through professional child care and giving them nurturing and an educative environment in formative years, using child care while they go off to earn a living. People are under a certain amount of pressure and expectation that they are going to help pay their way first and foremost. That is a big difference from those opposite who had a view which said to people: ‘You’re never going to achieve anything, you’re never going to get anywhere. Park yourself in welfare. Not only that, we’ll find new ways to park you in various aspects of welfare. We’ll increase the ability of people to access disability pensions and we’ll hide unemployment by making more people technically disabled for the purposes of welfare

but not disabled in reality.’ They were more consumed with ensuring there were more victims in society, the theory being that, if there are more victims, more people are going to vote Labor.

On this side, we have challenged people to get off their tail and go and do for themselves. We have backed those who want to back themselves. The work we are doing through this legislation continues that journey and last night’s budget announcements enhance that very much so. People who are prepared to do for themselves are going to get great support from this government.

Whether it is child support—where the journey continues, with the efforts of the past decade now producing fruit and the promise of what will come over the years ahead—income streams or asset test exemption periods, we are saying to people, ‘If you want to work hard, to achieve something for yourselves, to make a difference in our society and grow our economy along the way, we want to back you all the way.’ I congratulate Minister Brough on the success he managed to achieve for the people of Australia who rely on him, with \$50 billion plus annual expenditure through his portfolio secured by last night’s budget announcements. I congratulate him and officers of his department on the close work they do to deliver the kinds of technical amendments we have before us today.

Finally, I will end on a very special vote of thanks to members of the Child Support Agency—we have spent a bit of time talking about them. Today they are dealing with a set of circumstances which are different from a decade ago. I think they are now a lot more responsive than a decade ago to the ambitions of blokes when they get on the phone. When first elected in 1996, I heard complaints time and time again about officers of the Child Support Agency assuming that the

blokes were at fault—no offence to officers but this is what people were saying to me. Now with more men involved in the process, that kind of discussion is defeated because there is an opportunity for greater action across genders and a greater sense of respect all round. We have moved things along enormously over the last decade but there is much more work to do, which is certainly part of the reason we cannot go back to what we had pre 1996, to a government that is philosophically underpinned by the creation of more victims, telling people why they cannot do something instead of encouraging them to do things for themselves. That is the philosophical difference between the Labor Party and the government, between the coalition and those who start from the position that people are going to fail. I commend this bill to the House and encourage others to follow the example of the member for Throsby in her very good contribution earlier today.

Ms PLIBERSEK (Sydney) (12.18 pm)—The Families, Community Services and Indigenous Affairs Legislation Amendment (Child Support Reform Consolidation and Other Measures) Bill 2007 is the third in a series of child support legislative reforms. It represents the final part of the government's 2006 reforms to the child support system. Labor have largely supported these reforms and as a result we support this bill. In the debates on the previous two bills, however, we have expressed our concerns that the government has failed to protect low-income families who may lose income as a result of the changes to the Child Support Scheme. In speaking today on this bill, I note that our concerns have still not been adequately addressed by the government.

The Child Support Scheme was set up in 1988 by the Hawke Labor government and has become a model for other governments around the world. The principle that, after

divorce, parents should continue to support their children is very sound. However, over the last five years a number of organisations, academics, experts, members of this House and others have expressed genuine concerns about the scheme. The scheme has not always operated fairly and equitably. The assessment formula has not always produced good outcomes. There were particular issues with collection, arrears and compliance. It has not always been easy to get the money owed by non-custodial parents for the care of their children.

Labor have acknowledged the need for reform to the system but say that reform should not come at a cost for the poorest and most vulnerable people, in particular the 1.1 million children affected by child support and non-custodial parents who are often living in poverty in this country. In fact, custodial parents and their children are often among the poorest groups in our community. They are very vulnerable to changes which affect their income and we are very concerned that any changes in this area will not drive custodial parents and their children into poverty.

The reform process has been lengthy. In 2003 the House of Representatives Standing Committee on Family and Community Affairs tabled its report *Every picture tells a story: inquiry into child custody arrangements in the event of family separation*. The report dealt with child support and other family separation issues and made 29 bipartisan recommendations. Among its recommendations was the establishment of a ministerial task force to evaluate the Child Support Scheme, including establishing the costs of children's upbringing after parental separation, recognising different income levels of households and reflecting the costs for both parents of maintaining meaningful contact with their children.

In May 2005, the report of the Ministerial Taskforce on Child Support, known as the Parkinson report, provided the first systematic evaluation of the child support arrangements. It undertook a comprehensive analysis, relying on international research and commissioning modelling to come up with the best possible statistical information on the costs of children. It recommended an overhaul of the formula underlying the child support system that was based on evidence of the actual costs of raising children, shared parental responsibility for those costs and recognition of each parent's level of care.

Last year, we debated and passed two bills which enacted many of the recommendations of the Parkinson report. Those two bills implemented a new Child Support Scheme, including a new payment formula, changing the 'capacity to earn' provisions, increasing the minimum payment and its indexation to the consumer price index, and increasing the amount of child support payment that the non-resident parent can direct to specific purposes.

Certainly, not all of the recommendations of the Parkinson report were adopted. Certainly, the measures in those two earlier bills were not entirely to Labor's satisfaction, and I have made a number of criticisms in the past about aspects of that legislation. The principal concern raised by the reforms—and this remains my principal concern—is the effect of the new assessment formula on low-income resident parents, particularly those who have children under the age of 12. In all of these debates, we have tried to take a constructive approach to the reforms. It is not my intention, and it is certainly not Labor's intention, to politicise child support. We acknowledge that it is a very difficult area to get right. However, I remain concerned, and I know many of my colleagues do, about the interaction of taking money from low-income resident parents, particularly those

with children under 12, at the same time as we are introducing Welfare to Work reforms and cutting the pay and conditions of the poorest and most vulnerable workers in this country. Those three things working together are set to penalise some of the poorest people in the country and those people who are busy raising the next generation. I am worried about that.

Last week there was a Senate committee inquiry into the bill. The inquiry highlighted the concerns about low-income custodial parents. The report shows that a number of the deleterious effects have not been addressed by the government. The department responsible for child support policy, FaCSIA, gave evidence that the implementation of the reforms is not progressing as smoothly as we might hope. The department had agreed to establish a stakeholder reference group but that group apparently has met just once. The department has very little information about the impact of the new formula and new arrangements on families.

In debates on the child support bills last year, we called for transitional provisions in these bills to soften the blow for those low-income sole parent families. We certainly have not seen any of those transitional arrangements in this legislation. If we put the interests of children first and respect the original intent of the Child Support Scheme, which was to reduce child poverty, Labor would argue that there is a clear responsibility on the part of the government to ameliorate the negative effect of the changes on some of the poorest families in the country.

Today, again, we are debating these measures. Again, we call on the government to look to those most vulnerable parents and children and ensure that they are not penalised, particularly during this transitional period. I note that the ministerial task force in

its report urged the same thing. The ministerial task force, on page 261 of its report, said:

... the Government may wish to give consideration to the position of those whose liability or entitlement will vary to a large extent as a result of the recommendations, to avoid causing hardship in the short term.

Certainly, that has not happened. These concerns formed the basis of recommendation 25 of the Parkinson report, which said that the government needed to 'comprehensively consider the management of the transitional issues regarding the implementation of the new formula'. Unfortunately, our pleas regarding some of the poorest families have fallen on deaf ears. No provision has been made to protect those families, particularly the ones on very low incomes. That is why we have moved a second reading amendment in this regard. These are the same families who are, as I said, affected by Welfare to Work changes and the Work Choices legislation. We will be watching very closely this interaction between the new child support legislation, the Welfare to Work changes and Work Choices.

I turn to some of the measures that I am very pleased to see in this legislation. Currently, ongoing child support can only be collected from employers if the payer is a wage or salary earner or they receive a Centrelink payment. This legislation will broaden the agency's power to issue notices requiring the deduction of child support and the forwarding of that deduction to the Child Support Agency to include cases where the payer is under contract for service arrangements that are effectively substituting for wages. We have heard a lot over recent years about the substantial increase in the number of employees who are employed as independent contractors even when they are employed to all intents and purposes as an employee. Extending the ability of the Child

Support Agency to collect in those circumstances is certainly a positive measure.

I turn briefly to the change to the payment of the baby bonus to under-18s. I am pleased to see that the government is paying the baby bonus in 13 instalments to parents under the age of 18. I am sure there are responsible parents out there who are under the age of 18, but I fear that the temptation of a \$4,000 lump sum may be too much for some of them. I think it is a more certain thing to pay people over a number of fortnights in order to avoid some of the worst effects that we have heard about in the payment of the baby bonus. Labor has said all along that, in cases where the money is likely not to be used in the best interests of the children, this should be something that we consider.

Labor supports the payment of the baby bonus generally as a good measure for helping parents when they encounter a lot of high costs around the time of the birth of the child. I am generally very sceptical when I hear stories about people living high on the hog on a few thousand dollars of government support at the time of the birth of a child, but there have been too many stories of concern in this area for us to ignore them completely. The stories that were brought to my attention in relation to under-18s and the baby bonus, or more generally younger parents and the baby bonus, were not coming from the usual shock-jock sources; they were coming from youth workers, grandparents and community health nurses—people who have everyday contact with young parents and who want to support them, encourage them and teach them how to be good parents. They were not people who were interested in putting down young parents but people who were concerned that some of the money was not being spent in ways that were particularly useful for very young children. One woman told *Today Tonight* that her daughter was an ice addict who had seven children and that her

daughter had told her, the grandmother, that she had had more children just to get the \$4,000 baby bonus for each. On the same program, a 19-year-old mother of three said she had had her children just to get the baby bonus. I do not think this is widespread. I do not think many people are doing it; I think we are talking about tiny numbers. But it breaks my heart to think that any child would be brought into the world for such a reason.

It is easy to discount these reports because we hear them from sensationalist sources that are interested in beating them up because they make good TV or are a good story, but we also have people like Father Chris Riley, who dedicates every day of his life to helping and supporting young people, saying that this payment has been causing 'children to have children'. They are his words: 'children to have children'. A Western Sydney youth service reported directly to me that some of their clients saw the \$4,000 as a good way to buy a car or, in one case, a purebred dog. A Tasmanian youth worker told me that he knew of young men who were convincing their girlfriends to become pregnant, collecting the baby bonus when the baby was born and then shooting through. Sometimes they were not convincing their girlfriends to become pregnant but, if they became accidentally pregnant, were thinking, 'Hang on a minute; I can get \$4,000.' A Hawkesbury social worker told me of a young man who had systematically befriended lonely pregnant girls, waited until they had given birth, convinced them to part with their baby bonus and then taken off. He boasted to this social worker that he had done this five times, and he was working on his sixth victim when the social worker chased him off. Again, I do not think we are talking about thousands of cases, but the tragedy of every one of these cases means that we need to take action, and Labor, as I

said, has been calling for action in this area for some time.

Domestic violence services report that levels of abuse rise about six weeks after the birth, just when the cheque comes in. Some women are handing over the money just to get rid of a violent partner. These are individual stories, but we need to be aware, when we make these sorts of payments, of the social impact of the payments, even if that impact is on a small proportion of our population. I want to live in a society in which every child is wanted and every child is loved, and in which parents are emotionally ready to cope with this lifelong commitment, the most important job they can have.

I understand that it is difficult to design a system that takes into account the lengths that poorly motivated people will go to. You cannot design a perfect system that is able to prevent the human will to do wrong if that is a person's intention, but I think this is a positive measure towards reducing this problem. Certainly, I think that more broadly in situations where children are at risk of neglect the baby bonus could be paid fortnightly so that it is more likely to be spent on bills and other child-rearing expenses. A lot of organisations are already dealing with parents whose children are at risk of abuse and neglect and I think we could do more in that area. Taking the 'jackpot' effect out of this payment is something positive that may prevent children from being born into really damaging circumstances, so on that basis we support this change.

I will finish by saying that it is important to remember that this payment was introduced with the purpose of increasing the birthrate. There has been a blip in the birthrate, mostly because the cohort of women my age, who delayed childbearing because they were studying and getting a university

education and doing all the rest of it, is now having children. Has it had an effect? Maybe. It is difficult to tell. We do know, though, what does work when it comes to increasing the birthrate. If we look at countries overseas with developed economies which have higher birthrates, it is because they have good supports for families. They have paid maternity leave or paid parental leave, they have better systems of child care than we have here and more affordable child care, and they have workplaces that recognise that both parenting and paid work are essential roles. While of course Labor supports this payment for new parents, we think we really need to address those other areas of support for families if we are serious about increasing the birthrate in Australia.

Mr MELHAM (Banks) (12.37 pm)—It is not my intention to go line by line through what is a very technical bill. However, there are some broad remarks I wish to make in relation to the Families, Community Services and Indigenous Affairs Legislation Amendment (Child Support Reform Consolidation and Other Measures) Bill 2007. The issue of child support is one which affects every member of parliament. In my electorate of Banks there are 2,465 persons who are liable to pay child support, 2,488 persons who are eligible to receive child support and a total of 4,037 children for whom support should be paid.

When I first entered this place 17 years ago as a local member, the payment of child support was not an issue that my office dealt with on a regular basis. Indeed, the legislation was not in place then. However, since the legislation has been enacted, child support is constantly being dealt with in my office—and, I am sure, in every member's office. That is why the recent committee report into child support and custody, which I will come to later, came about. It is an issue that the parliament has rightly confronted, legis-

lated for and looked to improve and amend so as to give much deserved attention to community concerns.

I want to focus on the broad context of the bill and the impact it will have on families. There is no doubt that the issue of child support causes the most incredible heartache to parents and to children. This occurs following, or as a part of, a relationship breakdown. In itself, the relationship breakdown causes significant distress to all the parties involved, and the issue of child support only multiplies the effect. Our constituents are usually in a state of grieving. As a local member I acknowledge that it is an extremely difficult issue to deal with in an equitable and fair manner. When they arrive at my office to discuss a child support matter, I know that it will be emotional and almost impossible to resolve.

The original bill, the Child Support Legislation Amendment Bill 2004, was intended to create a new system for the assessment of child support payments. In the past, parents were quite reasonably concerned about the fact that the previous formula was based on percentages and that those percentages did not always relate to the actual cost of raising a child. The new system is based on an income share approach.

We must acknowledge that this bill does little for low-income earners. The member for Jagajaga has moved a second reading amendment to that effect and I fully support that amendment. Too often this government proposes legislation that gives little consideration to the impact on those earning not even middle-level incomes. Further, some primary caregivers—usually, but not always, mothers—will actually have their payments reduced under this new bill. It is not always possible to fully compensate for the cost of raising children when the children are living in two separate homes—that of the primary

caregiver and that of the access parent. Both the primary caregiver and the access parent incur real costs in raising their children.

I note the concerns regarding proposed clause 64 of schedule 1 that were raised by the Law Council of Australia in their submission to the Senate Standing Committee on Community Affairs. Their argument is that this clause leaves the determination of which documents are relevant and which documents should be given to the court in the hands of the Social Security Administration Tribunal. The Law Council believe that the court should be entitled to review all documents to determine which are relevant in a decision on a matter before it.

No legislation, however, can remove the impact of those who act in bad faith. As legislators our powers are limited in this regard. In reflecting on the remarks of my colleagues during the debate on the original bill, I was struck by the note of caution in their words. We might have an acceptable formula to establish the costs of raising a child; however, no formula can determine the cost of the grief and the sense of injustice that many—indeed, most—parents suffer while undergoing this process. With the best will in the world we cannot legislate that away, unfortunately.

I am reminded of a man who visited my office many years ago to discuss how unfair it was that he be expected to pay child support for his child. He was working in a reasonably well-paid job at the time. He announced to me that he intended changing jobs and deliberately taking a lower paying job so that his child support payments would be reduced. Sadly, I believe that is not an uncommon practice amongst some members of the community. It is a wrong practice, but it is out there. There is no way that we as a parliament can legislate around bad faith. We can, however, ensure that the system in place

is the most equitable it can be. As members of parliament there are ways we can work through issues which seem impossible. We can make a difference and we can offer the opportunity for members of the community to articulate their concerns. We can work with the community and try to understand their concerns, even if we ourselves have not experienced similar circumstances.

Constituents often ask what we do while we are in Canberra apart from debating legislation before the parliament. One of the most critical functions of a member of parliament is his or her participation in the committee process. This is a little understood yet vital part of the parliamentarian's day-to-day work. It is through the committee process that vital issues are identified and examined and the public are able to give input directly into the parliamentary process. Members of the public are able to provide written submissions and may then be invited to speak directly to committee members. This is true democracy in action. It is fundamental to the parliamentary process and to how we deal with important community issues.

The reason I raise this matter is that the heart of the bill we are dealing with today lies in a committee report. That report, *Every picture tells a story: report on the inquiry into child custody arrangements in the event of family separation*, was produced by the House of Representatives Standing Committee on Family and Community Affairs. It was published in 2003 and made a number of recommendations about child custody and child support. The fundamental premise of that report, as stated in the terms of reference, was:

- (a) given that the best interests of the child are the paramount consideration ...

This report involved thousands of hours of work and took as its operating premise that the best interests of the child are the para-

mount consideration. This is how parliamentarians can deal with incredibly difficult and emotive issues, this is how we work with and on behalf of the community and this is how we consider and work through those matters which are not black and white and involve many shades of grey. In her foreword to the report, the chair, the member for Riverina, said :

One of the highlights of committee work for parliamentarians is the people we meet. During this inquiry our greatest delight was hearing from the nine children and five young adults at our final meeting of the inquiry. These children and young adults were a microcosm of what this inquiry was all about.

That report involved six months of work by not only the committee members but also the committee staff. Over 2,000 people contributed to the inquiry through submissions, presenting evidence at hearings and participating in committee visits to various family and mediation centres.

This process is a core role of the parliament. I do know that the members of the Standing Committee on Family and Community Affairs were dedicated and committed to an outcome that would ensure the rights of the children were the overriding factor in their considerations. The ultimate outcome of this report was a series of recommendations that formed the basis for the act that this bill is amending. As always, not everyone can be entirely satisfied with the outcomes, but no-one can be in any doubt as to the effort put into trying to ensure that the outcome was the best for the children involved. Most importantly, the result was bipartisan. The committee chair noted in her foreword that initially there had been divergent views. She concluded:

... I have never felt so proud of a group of members of parliament who put political differences aside and worked together to ensure a united outcome.

As a current member of several committees and a participant in the presentation of many reports to the parliament, it seems to me that this is an achievement we may all be proud of. It is the bipartisan approach to resolving important public matters that makes the committee process so valuable. I am a great advocate of the committee process and I am concerned that the significance and impact of that process is being watered down. I note with some disquiet that this bill was referred to the Senate Standing Committee on Community Affairs on 29 March 2007 with a reporting date of 8 May 2007. There was only one day of public hearings actually scheduled. Given that we are debating the bill today, it gives literally no time at all for those of us with an interest to consider the committee's report.

I have served on a number of committees in the 17 years I have been in this place. I believe in the committee process and that the executive should pay respect to the parliament. Our committees should be functioning properly. The member for Chifley noted in a speech in this House on the tabling of a report from the Standing Committee on Procedure on 12 December 2005:

If we want to continue to exist as an institution, if we want the parliament and parliamentarians to be held in higher esteem by the public, one of the key ways we will succeed is through having a very vibrant and strong committee system.

I think that is true. I think it is also true that one of the reasons we succeed and do as well as we have is that we also have a number of dedicated and professional public servants who advise the government and the executive of the day. Indeed, in the six years we were in government in the time that I have been here in parliament I was always impressed with the quality of independent advice that was provided by the Public Service to each of the ministers that I had to deal with. I have no doubt that that has not

changed over the years and that that professional advice is still there in the public sector. We as a parliament need to recognise that. We need to nurture it and we need to encourage that independent debate because, quite frankly, if the politicians were half as good as the public servants and the public servants who serve on the committees then we would be a lot better off. The problem that we have had in the past at times is that some of the politicians tend to think that they are a little bit better than they are and everyone else has got to clean up the damage that they do—they do not intentionally do it—with the egos that they have. I commend the amending bill before the House to the parliament. I also commend the amendment moved by the shadow minister for families and community services, the member for Jagajaga, to the House.

Mr HUNT (Flinders—Parliamentary Secretary to the Minister for Foreign Affairs) (12.50 pm)—I rise on behalf of the Minister for Families, Community Services and Indigenous Affairs to speak on the Families, Community Services and Indigenous Affairs Legislation Amendment (Child Support Reform Consolidation and Other Measures) Bill 2007. The purpose of this follow-up bill is to complete consequential amendments and make minor refinements needed for the implementation of the new child support formula on 1 July 2008. The bill consolidates the government's substantial 2006 legislation that restructured the Child Support Scheme in line with the recommendations of the ministerial task force on child support chaired by Professor Patrick Parkinson.

The bill makes a variety of other amendments to Families, Community Services and Indigenous Affairs portfolio legislation. This bill makes refinements to the major 2006 child support legislation. A more fair treatment of child support will be made where there are children of different ages in differ-

ent households. Child support agreements between parents are being better supported and strengthened and their interaction with family tax benefit clarified. Remote area allowance under the social security and veteran's entitlement legislation is being extended, so parents with regular care of a child—that is, care of between 14 and 35 per cent—will continue to receive the allowance after the 1 July 2008 changes to family tax benefit.

Some of the processes relating to the review of child support decisions by the Social Security Appeals Tribunal are being clarified and the changed arrangements with the courts refined. The bill relocates some provisions from the Child Support Legislation Amendment Bill 2004. While that bill has been overtaken by the reform of the Child Support Scheme, some measures are still required. The provisions move measures from the regulations into the primary child support legislation, allowing Australia to meet its international child support obligations. Some refinements are also being made to the provisions after years of experience of their operation.

The 2004 bill measures include several amendments to improve equity between the two parties to a child support case in accessing the court for review of any decision about whether one of the parties is a parent of the child in question. Some minor streamlining refinements are also being made to the internal review system for child support decisions generally.

The last of the 2004 bill measures are of a minor policy or technical nature and are generally to address anomalies in the current system or to improve aspects of child support administration—for example, amendments to broaden the ways in which an application for an extension of time to lodge an internal review application, known as an 'objection',

can be made. The new bill also includes several family assistance amendments—for example, the maintenance income test provisions for family tax benefit are being refined. This is partly to reflect the new treatment under the child support reforms for child support agreements and lump sum child support.

Refinements are also being made to certain elements of the formula used to work out the notional amount of maintenance income an individual is taken to have received under a child support agreement or court order where there is an underpayment of child support registered for collection by the Child Support Agency. It is also being clarified that maintenance income received by a payee for one or more children would reduce the payee's amount of family tax benefit part A above the base rate for those children only.

Separate amendments to the baby bonus provisions will formally rename the payment the 'baby bonus', rather than the 'maternity payment', in line with most people's understanding. Under-18-year-old claimants will be paid the baby bonus in 13 instalments, rather than in a lump sum, and registration of birth as a condition of eligibility for the baby bonus will be introduced. Under this bill, the usual 13-week period for full payment of family tax benefit while temporarily outside Australia will be extended for members of the Australian Defence Force and certain Australian Federal Police personnel in the International Deployment Group who are deployed overseas as part of their duties and, as a result, remain overseas for longer than 13 weeks.

Cyclone Larry has shown that a year may not be long enough where the rebuilding efforts of a disaster-affected community are stretched. The bill will extend the current 12 months principal home temporary absence rules for absences of up to 24 months for

people who have suffered loss or damage to their homes due to a disaster. The bill will also assist people who cannot purchase or build a new home within 12 months due to factors beyond their control by extending the asset test exemption of principal home sale proceeds from 12 months up to 24 months. Another measure ensures the claim rules for the new Australian government disaster recovery payment work correctly for non-resident Australian citizens. Lastly, the bill will make minor refinements to the operation of the income streams provisions of the social security and veterans' means tests.

On behalf of the minister, I thank all of those officials and community members involved in the consultation for and preparation of this bill. I also thank the speakers on both sides of the House. I am delighted to commend the Families, Community Services and Indigenous Affairs Legislation Amendment (Child Support Reform Consolidation and Other Measures) Bill 2007 to the House.

The DEPUTY SPEAKER (Mr Hutton)—The original question was that this bill be now read a second time. To this the honourable member for Jagajaga has moved as an amendment that all words after 'That' be omitted with a view to substituting other words. The question now is that the words proposed to be omitted stand part of the question.

Question agreed to.

Original question agreed to.

Bill read a second time.

Message from the Governor-General recommending appropriation announced.

Third Reading

Mr HUNT (Flinders—Parliamentary Secretary to the Minister for Foreign Affairs) (12.58 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

**GREAT BARRIER REEF MARINE
PARK AMENDMENT BILL 2007**

Second Reading

Debate resumed from 28 March, on motion by **Mr Turnbull**:

That this bill be now read a second time.

Mr GARRETT (Kingsford Smith) (12.59 pm)—The Great Barrier Reef is Australia's greatest natural asset, an economic powerhouse and an extraordinary ambassador for Australia. The reef draws people to Australia and it draws Australians to Northern Queensland. It captures the imagination like no other Australian icon. It is a place that offers serenity and stability, beauty and pleasure. It is, as the Great Barrier Reef Foundation have noted, 'The largest, most pristine continuous coral reef archipelago on earth', a natural icon that links to our national identity. We in Australia are so fortunate to be able to say that we come from the home of the Great Barrier Reef. But the truth is that our greatest natural asset is crook—really crook. I often wonder whether the Howard government cares at all about the fate of the reef. The Great Barrier Reef Marine Park Amendment Bill 2007 is remarkable for what it does not do. It does not offer a plan to maintain a healthy reef into the future.

The bill before the House seeks to implement recommendations of a 2006 review of the Great Barrier Reef Marine Park Act 1975. I want to pick up on the key aspects of that review and this bill. But, before I do, it is important to set the scene. The Great Barrier Reef is an extraordinary natural wonder. It is the world's largest World Heritage area—2,000 kilometres of World Heritage wonder. It is the world's most extensive coral reef system. It has the world's richest diversity of faunal species. There are some 2,800 individual reefs, 1,500 fish species, 175 bird species, some 4,000 species of mollusc—an

incredible figure—1,500 species of sponge, 500 species of seaweed and more than 30 species of marine mammals.

Dr Emerson—That's a lot of diversity.

Mr GARRETT—There is an extraordinary range of marine biodiversity and species diversity on the reef. There are 940 islands. The GBR is the jewel in the crown. The northern part of the reef is believed to be 18 million years old and the southern part is believed to be two million years old. These are staggering statistics. The reef is a place of staggering beauty. This is our inheritance and we have a responsibility to protect it for future generations.

Of course, we do not just have a responsibility to maintain the ecological integrity of the Great Barrier Reef; we also have a responsibility to maintain the jobs and the regional towns that are dependent on a healthy reef. Around 200,000 jobs are directly dependent on a healthy Great Barrier Reef, a reef that generates about \$4.3 billion for the Australian economy. That is a substantial commitment that the Great Barrier Reef makes, not only in terms of its environmental heritage and richness but also in terms of its economic productivity.

But there are real threats to the future of the reef. The science is very clear. The unreleased Australian chapter of the United Nations Intergovernmental Panel on Climate Change report *Climate change 2007: climate change impacts, adaptation and vulnerability* lays out a bleak future for the Great Barrier Reef. It says that, by 2020, 60 per cent of the Great Barrier Reef could be regularly bleached; by 2050, 97 per cent of the reef could be bleached each year; and by 2080 there could be 'catastrophic mortality of coral species annually' and a 95 per cent decrease in distribution of Great Barrier Reef species. There could be a loss of 65 per cent

of Great Barrier Reef species in the Cairns region alone.

An international team of scientists working on the Great Barrier Reef has found a clear link between coral disease and warmer ocean temperatures. World-first research at 48 reefs spread along 1,500 kilometres of the Great Barrier Reef, combined with six years of satellite data on sea temperatures, has revealed 'a highly significant relationship' between ocean warming and the emergence of a disease known as white syndrome. And of course, ocean warming is a consequence of climate change. White syndrome is one of a number of unexplained coral diseases which scientists have observed to be on the increase globally in recent years. This is enough to make you weep. The Great Barrier Reef is dying before our very eyes and, frankly, it does not seem as if the Howard government gives a damn.

The government cannot say it was not warned. It has received report after report for almost a decade about climate change and its likely impacts—similar warnings, growing in strength with each report. The truth is the Prime Minister's in-tray is littered with reports warning of the threat of climate change to the Great Barrier Reef but his out-tray is filled with cobwebs. Look at the government's own March 2005 *Climate change risk and vulnerability* report. That report identifies the reef as one of 'a handful of highly vulnerable regions [that] can be identified that should be given priority for further adaptation planning and response'. The report goes on to say:

Cairns and the Great Barrier Reef are expected to see multiple dimensions of change. The Reef itself is likely to suffer from coral bleaching events, which have long recovery times and flow on effects for the whole ecosystem. Climate model projections suggest that within 40 years water temperatures could be above the survival limit of corals.

And 40 years is within the lifetimes of many people in our country. You have to ask: what action has the Howard government undertaken in response to this stark warning? This is not just an environmental question. A 2005 Access Economics study found that tourism associated with the Great Barrier Reef generated over \$4.48 billion in the 12-month period 2004-05 and provided employment for about 63,000 people. The marine tourism industry is a major contributor to the local and Australian economy. These employment statistics are significant, and the contribution that the reef makes to local, regional and national economies is substantial. In 2007 there are approximately 820 operators and 1,500 vessels and aircraft permitted to operate in the Great Barrier Reef Marine Park.

Tourism attracts approximately 1.9 million visitors each year. That is an extraordinary number of people who come to enjoy the beauty, amenity and qualities that the Great Barrier Reef has to offer. The reef is simply the lifeblood of regional and local economies. That is why the Howard government's line—a calculated line—that Australians have to choose between a healthy economy and a healthy environment is so wrong. The Great Barrier Reef's extraordinary environmental values and its profound contribution to our national economy go hand in hand and provide the clearest rebuttal that Australians could ever seek of the false choices that are put forward by the Howard government when the Prime Minister and others put the line that we have to maintain protection of jobs at the expense of looking after the environment. Nothing could be further from the truth.

The Great Barrier Reef brings billions of dollars into the Australian economy and is directly responsible for the employment of tens of thousands of Australians. So the question is this: how much new money do you reckon the government allocated in last

night's budget to deliver a healthy reef? The answer is that at last night's budget, the 2007 budget, \$30 million over four years—some \$7 million or so a year—was allocated to the Great Barrier Reef in new funding. That, frankly, is pitiful. The government has announced \$15.9 million over four years for field management. Labor would like to see the details of the field management, but that is something which we broadly support. The government has also announced \$14.2 million for the continuation of the water quality monitoring program and that that money will come from the Natural Heritage Trust. So we will wait to see whether that is new money, but it is a program that we would welcome.

These are small initiatives by any reckoning, made by a government that does not understand the huge climate change challenges facing Australia. A forward looking government would have used a federal budget to develop and implement an action plan to help protect the Great Barrier Reef from the effects of coral bleaching and to protect Australian jobs and industries dependent on a healthy reef. A forward looking government would have used a federal budget to implement a national climate change strategy that would include ratifying the Kyoto protocol, cutting Australia's greenhouse pollution by 60 per cent by 2050, establishing a national emissions trading scheme and seriously investing in renewable energy and clean coal.

A forward looking government would have announced serious long-term measures to cut Australia's soaring greenhouse pollution. But that is not what we got in last night's federal budget. Climate change is a massive challenge for Australia but the Howard government is simply trying to slay the dragon with a feather. The federal budget will not stop Australia's greenhouse gas pollution from soaring by 27 per cent by 2020. The federal budget will not build a strong

Australian clean energy industry. The federal budget will not create new Australian clean coal jobs. The federal budget failed the climate change test. That is what happened last night when the Treasurer brought down his budget: the government failed the climate change test.

The other thing a forward looking government would do is to cherish Australia's past—to recognise that our natural and cultural heritage is the cornerstone of our modern society. That is why I find it staggering that the government still has not placed the Great Barrier Reef on Australia's Natural Heritage List. A Natural Heritage List without the Great Barrier Reef is like a cricket hall of fame without Sir Donald Bradman—but that is precisely what we have. The Natural Heritage List came into force in January 2004; it is now 2007. It beggars belief that the government has not got around to putting the reef on the Natural Heritage List. We are entitled to ask ourselves whether it is incompetence, tardiness or forgetfulness, or whether the Howard government is just taking the Great Barrier Reef for granted. Is it taking the people who depend on a healthy reef for granted, as well? The government seems to have given up on the Great Barrier Reef, our greatest national natural treasure.

Previously the government took a very courageous step when it announced it was protecting 33 per cent of the Great Barrier Reef from fishing and other extractive industries. I want to take this opportunity in the House to pay tribute to the then environment minister, David Kemp, who will always be remembered for that initiative—one which Labor supported. But what has the government done since then? It announced a structural adjustment package for the fishing industry. Initially, the structural adjustment package was worth \$31 million. Now it has increased threefold, flowing out to more than \$87 million—an extraordinary miscalcula-

tion. Fishermen and land based businesses that rely on reef derived income are entitled to compensation for economic loss caused under the Representative Areas Program, which increased the reef green zones. They deserve compensation; they do not deserve the mess that is the compensation package.

The National Party and some of the more conservative elements of the Liberal Party have worked hard in the past to destroy Dr Kemp's legacy. Strong campaigns have been launched against the Great Barrier Reef Marine Park Authority and the zoning plan. On 1 March 2005, the then National Party senator-elect Barnaby Joyce was quoted in the *Courier Mail* as opposing the Great Barrier Reef Marine Park Authority's existence as an independent agency. He said:

GBRMPA is out of control ...We are having too many problems and we should bring it totally under government control and baby-sit it for a while.

On 26 October 2004, the member for Dawson said:

What we've had is a statutory body in GBRMPA that is out of control that has put, I think, no real scientific basis for the arguments they've put forward.

It must never be forgotten that the Queensland Nationals did a preference deal with the Fishing Party at the last election on the basis that GBRMPA's powers be moved into the department where the minister would have control of all decisions. This helped get Senator Joyce elected.

The National Party always saw the review of GBRMPA as the vehicle for destroying GBRMPA and rolling back the protection of the Great Barrier Reef. On 25 March 2006, the *Courier Mail* reported that the Howard government was planning to reduce the marine protection boundaries of the Representative Areas Program and to abolish the Great Barrier Reef Marine Park Authority as an

independent agency. I am pleased to say neither of those two things happened. I am also pleased that GBRMPA remains a statutory authority. I want to pay tribute to the member for Grayndler, who was my predecessor as shadow minister for the environment, to Senator Jan McLucas and to Labor's candidate for Leichhardt, Jim Turnour, for their hard yakka and dedication to the protection of the Great Barrier Reef.

Labor prevented the destruction of GBRMPA, but there are still aspects of this bill that are concerning. The bill replaces the Great Barrier Reef Consultative Committee with a non-statutory advisory board and removes the requirement for specific representation from the Queensland government or the interests of Aboriginal and Torres Strait Islanders. Labor is concerned that the partnership with the Queensland government, which has been such a hallmark of the work of GBRMPA, has in effect been shredded. The opposition is also concerned that there may not be the opportunity for proper representation from Indigenous communities, which ought to be a feature of the proposed new arrangements. Labor is also concerned that other interests, including the tourism industry, may not be adequately represented on GBRMPA or the advisory board. That is a matter the government ought to give full consideration to. I call on the environment minister to make a commitment to a genuine partnership with the Queensland government, to a genuine engagement with Aboriginal and Torres Strait Islander communities and to a real and genuine engagement with all the industries that are dependent on a healthy reef. A place must be found for everyone at the table.

I am pleased—and Labor welcomes—that the government is establishing a five-yearly outlook report for the Great Barrier Reef. The environment minister has stated that a regular and reliable means of assessing the

protection of the Great Barrier Reef will be provided through a formal outlook report that will be tabled in parliament every five years and that this report will cover the management of the marine park, the overall condition of the ecosystem and the longer term outlook for the Great Barrier Reef. This report clearly is an important measure and it has Labor's support. This report will be peer reviewed by an appropriately qualified panel of experts appointed by the minister. Labor welcomes those measures but seeks confirmation from the minister that the peer report will be a public document, as this is not provided for in the bill before us.

Labor notes that the minister will be responsible for any future decision to amend the zoning plan and that any such decision will be based on the outlook report and advice from the authority. Labor also notes the minister's commitment that engagement with stakeholders on the development of a new zoning plan will be improved and the process made more transparent—that is clearly necessary—with comprehensive information being made publicly available throughout the process that will include the rationale for amending the zoning plan, the principles on which the development of the zoning plan will be based, socioeconomic information, and a report on the final zoning plan and its outcomes. In addition, each of the two public consultation periods will be increased from one month to three months. We welcome the extension of the public consultation period.

It is important there is integrity in the process, and it is important there are ongoing commitments to better protecting the health of the Great Barrier Reef. That is why I call on the government to join Labor in opposing oil drilling and exploration near the Great Barrier Reef. I foreshadow now that I will move consideration-in-detail amendments to extend the boundary of the Great Barrier Reef Marine Park region to the Exclusive

Economic Zone, and I call on the government to support those amendments.

I am deeply concerned that the government's agenda is to proceed with the oil exploration and drilling near the Great Barrier Reef. Just last year, Geoscience Australia published a map which indicated the potential for exploration and drilling in this region. Under the Great Barrier Reef Marine Park Act 1975, any oil drilling or prospecting in the Great Barrier Reef region is prohibited. My consideration in detail stage amendments will seek to extend the region so that oil drilling and prospecting in the Great Barrier Reef region, the region east of the boundary of the current marine park to the Exclusive Economic Zone, will be prohibited.

Whilst it is the case that the governance and associated measures contained in this bill are supported by the opposition, it remains a fact that the government's abysmal record in seriously addressing climate change is a significant impediment to ensuring protection of the great natural treasure that is the Great Barrier Reef into the future. I hereby move:

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

- (1) affirms the object of the Principal Act - the protection of the Great Barrier Reef - but notes that the future of the reef is threatened by both short term and longer term factors, including climate change;
- (2) notes that the United Nations Intergovernmental Panel on Climate Change stated in 2007 that by 2050, 97% of the Great Barrier Reef could be bleached every year as a result of climate change;
- (3) condemns the Government's incompetent handling of the structural adjustment package for the Great Barrier Reef Representative Areas Plan, which has seen the budget blow out from \$31 million to more than \$87 million;

- (4) calls on the Government to develop and implement an action plan to help protect the Great Barrier Reef from the effects of coral bleaching and protect Australian jobs and industries dependent on a healthy reef as part of a national climate change strategy; and
- (5) calls on the Government to prohibit mineral, oil and gas exploration in Australian waters adjacent to the Great Barrier Reef Marine Park”.

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

Dr Emerson—I second the amendment and reserve my right to speak.

Mr ENTSCH (Leichhardt) (1.21 pm)—I sat here with an element of disbelief as I heard the member for Kingsford Smith putting forth his vision for the Great Barrier Reef. I could not help but think that a lot of the problems, misconceptions, scare tactics and emotional claptrap that continues to be driven about this comes from his background in the cradle of the extreme greens. There is no science in these arguments.

Mr Garrett interjecting—

The DEPUTY SPEAKER (Mr Hatton)—Member for Kingsford Smith, you had your go.

Mr ENTSCH—He stands up in his place and talks about a whole range of issues here. One of the figures that I picked up here, which is basically one of the lies that was projected through the whole of the representative areas debate, is that 33 per cent of the Great Barrier Reef is now being protected. It is not 33 per cent of the Great Barrier Reef that is currently protected; it is 33 per cent of the Great Barrier Reef Marine Park, which goes way outside the Great Barrier Reef. In fact, over 70 per cent of the Great Barrier Reef is protected.

This is where the issues started to come in. You have those like the previous speaker—coming from the ‘extreme green’

angle—who believe that people have no place in the environment. They believe that the only way you can manage these places is by shutting them down completely and removing people out of them—they do not know what the word ‘sustainability’ means—and, in doing so, destroying people’s livelihoods unnecessarily. That is what happened in relation to the management of the Great Barrier Reef Marine Park.

I am certainly pleased to have the opportunity to speak here on the Great Barrier Reef Marine Park Amendment Bill 2007, because these are very important amendments. They emanate from a review of the Great Barrier Reef Marine Park Authority, which was completed last year. The review and its report delivered on a promise made by this government in 2004 after the travesty known as the Representative Areas Program. This legislation has been born out of a need and a desire of all government members to ensure that this type of event does not ever happen again. We cannot turn back the clock; we must learn from the experience, and we should not be repeating the sins of the past.

When these amendments come into force on 1 July this year, they will ensure the authority of future management decisions will not be exclusively within the Great Barrier Reef Marine Park Authority but that the impacts will be considered back here. The amendments will provide a seven-year moratorium for the future adjustments to provide stability—and this is absolutely necessary—and certainty for businesses and communities, which have suffered so unnecessarily in the years since the current zoning plan was imposed. They will also provide a regular and reliable means of accountability, assessing the protection of the marine park through a report that will be tabled in the parliament every five years, and this will be peer reviewed by a panel of experts appointed by the minister. That will ultimately mean that it

will be the minister's responsibility for future decisions about opening the zoning plan for amendment. Importantly, the process of engaging with stakeholders on future changes—and this is the area that was missed out significantly during the last process—will be improved and formalised, including extending each of the two public consultation periods from one month to three months. These are, in my view, very positive but very necessary changes.

If there is a reservation, it is the fact that unfortunately these changes have come a little too late for many of my constituents who have been impacted by these agendas. Anybody who has any doubts about the extent of the misery and the financial ruination wreaked by those ideological zealots who were in charge of this process through the Great Barrier Reef Marine Park Authority need only speak to people—good, honest, hardworking people—whose businesses and livelihoods have been destroyed, absolutely devastated, by this process; unfortunately, in many cases, totally unnecessarily.

I first expressed concerns about the rezoning in 2002 when it was first mooted, but I was reassured by the senior executive of the Great Barrier Reef Marine Park Authority that the whole process would be based on science. On that basis, I accepted it. I accepted that advice in good faith. I spoke to the recreational fishing people, commercial fishing people and tourism industry people. They all agreed that, if science were applied to this and the science said that any activity—irrespective of what it was, whether it was swimming on the reef, fishing on the reef or a commercial activity—was deemed to be unsustainable, any such activity had to stop immediately. Every one of them was prepared to give up their livelihoods on that basis.

Unfortunately, that was the first lie. When the first round of plans came out and was presented to the stakeholders, everybody was quite pleasantly surprised. They believed that everything was okay, that it was quite reasonable. Even though the 'extreme greens' were promoting the idea that only three per cent of the reef was protected—a bit like the member for Kingsford Smith's little slip with the words in his contribution—in fact it was three per cent of the marine park. So about 22 or 23 per cent of the reef was protected at that point in time. We were assured by the authority that they were looking at 25 per cent of the reef. They were looking at bioregions. At the end of the day, they ended up with over 70 per cent. You can imagine the impact that that has had on users of those reefs.

They presented those maps, and the maps appeared to be okay. They seemed to have a minimum impact, as we were assured by the bureaucracy. But the interesting thing was that the bureaucracy then invited the reef users, the marine park users, to mark the areas that they could never afford to lose, so that they could be taken into consideration in the final determination. The coordinates of those areas were very specifically marked on the map. When the next draft came out, every single area that had been marked by those reef users as an area they could not afford to lose was marked in either green or yellow, excluding them. And that set the tone for the treatment.

We had a coastal trawl industry which had been assessed by the Great Barrier Reef Marine Park Authority and by Environment Australia as the first ecologically sustainable coastal trawl fishery in the world—they were waiting on certification—but the changes to those maps, taking those areas out, totally wiped them out. There was clearly an intent within the senior bureaucracy of the Great Barrier Reef Marine Park Authority to get rid

of reef and marine park users. They did this with the marine collectors, the commercial trawling industry, the line fishermen and the recreational fishing industry. They drove a wedge between each of the user groups, creating conflict, and they used that opportunity to go in and amend the maps accordingly. Make no bones about it, every one of the people affected by that was committed to stepping aside—losing their business if necessary—if it was deemed to be unsustainable. But it was no longer an issue. It was driving the same agenda, the same mantra, that was pushed by the member for Kingsford Smith in his previous interests as a member of the extreme greens and influenced very strongly by some members of the senior bureaucracy within the Great Barrier Reef Marine Park Authority.

I said to Minister Kemp that this would have a devastating effect on industry. I suggested to him that it could have as much as \$2 million worth of impact on our industries. The minister said to me: 'That can't be possible, because the Great Barrier Reef Marine Park Authority has advised me that the maximum impact will be \$1.5 million. What are you doing? You are stirring up a lot of trouble about nothing.' But he erred on the side of caution and set aside \$10 million in the original bill just in case the compensation was a little more—just in case the authority had miscalculated. We have not paid out \$85 million, as was suggested by the member for Kingsford Smith. We are moving towards \$200 million. There was another claim just the other day. Lyle Squire has a third generation small family business which breeds corals and collects small marine fish for aquariums. They have been doing it for three generations and it has been deemed by the Great Barrier Reef Marine Park Authority to be totally ecologically sustainable. I was advised a couple of days ago that they are looking at a compensation package of \$3.5 mil-

lion to compensate them for their loss—a small family business absolutely devastated.

We have lost so many businesses because of this, and so many of them have been lost totally unnecessarily. Mitchell's Marine, which is owned by Wayne and Sally Bayne, is a marine retail outlet which has been successfully trading since 1984. The impact of the actions by the Great Barrier Reef Marine Park Authority resulted in their unit number of sales falling by almost 40 per cent in both commercial and recreational markets—they just went into freefall. This has resulted in staff reductions, downsizing of premises and slashing of costs. It means a once-valuable asset that has provided security for the owners' family and its future retirement has been unnecessarily and permanently damaged by a government department which is allowed to provide misinformation to government on which to base its decisions.

Another one is Bill Izzard. The day after the rezoning he woke up to find that he had lost nearly 90 per cent of his available grounds. He was collecting a specific product which they call leader prawns. He was targeting the aquaculture industry. He was very successful and he was very specific in what he was targeting. He needed only a very narrow area from which to take his product. He was one of those who sat down and marked those areas—none of them on the reef. He said: 'These are the areas I need. Without these areas my business will go broke.' This is where they took 90 per cent of his business. They wiped him out. It is just a disgrace. As Bill said, it was the straw that broke the camel's back and started the downhill spiral, sending dozens of family fishers like him to the wall. The industry has shrunk, investors have lost confidence and the industry has continued to lose experienced skippers and crews.

Marlin Charters at Airlie Beach is another one. It has been successfully operating since 1989. Its owner, Ken Bryant, was another victim of the scam. He was told, 'Tell us which locations are important to you and we will make sure that we leave them alone.' In fact, the opposite happened and, with the stroke of a pen, much of the operating grounds were lost. Left with virtually nowhere to operate, the business has suffered a 72 per cent drop in income. That has left the business absolutely devastated. I received an email from Ken the other day. He said: 'I've had my business destroyed by RAP. I'm approximately \$100,000 in debt and to date have been offered nothing in compensation or assistance. My life has been devastated by RAP, with no assistance or compensation. I need assistance not next week, not tomorrow, but now. I'm contemplating bankruptcy or, sadly, suicide.' That is the sort of impact it has had on the lives of so many people.

McLeod Engineering, a land based business, is another example that I would like to highlight, because it demonstrates the flow-on effect for many onshore businesses as well. They are an iconic business which has been operating in the Cairns area for over 30 years. They provide marine engineering services for both recreational and commercial services. The introduction of the rezoning by the Great Barrier Reef Marine Park Authority has seen their business halved. Staff levels have been reduced by 40 per cent and the owner is fighting to protect what is left of his once-thriving business. With a bleak future ahead, the owners are now left with no alternative but to reassess their commitment to the industry as they oversee the unnecessary destruction of their life's work. I could go on. There have been dozens of these cases.

I have got to say that I was very disappointed that I was not listened to back in 2002 when the first tranche of this legislation came through. I have to give credit to the

then Minister for the Environment and Heritage, Senator Campbell, who did listen. He started the process of introducing the bill that we are talking to today and he was able to help us to gain some ground and to at least give some dignity, by trying to help them restructure, to some of those people who have lost so much. I also give credit to the Minister for the Environment and Water Resources, Mr Turnbull. He and his office have been very helpful in trying to sort out these problems.

The member for Kingsford Smith made reference to some individuals from the other side of politics that claim to have made some effort up there—but they were never heard of during the whole debate. We talk about Senator McLucas and others and about the previous shadow environment minister—I know his name; it is Mr Albanese, but I am not sure of his seat—

The DEPUTY SPEAKER (Mr Hutton)—He is the member for Grayndler.

Mr ENTSCHE—Yes, the member for Grayndler. They actually fed a lot of the deception that created this problem and made no effort at all to try to do anything to save the situation. He talks about 'a forward-looking government' that would protect the industries and people depending on a healthy reef. What a load of nonsense! You do not see a forward-looking government on the other side, I can assure you of that, when we are talking about this. This was not about protecting the reef; this was all about pushing the lock-out views of the extreme greens. Unfortunately, some sections of the bureaucracy were captured by it and so many individuals' healthy businesses that were very dependent on a healthy reef were destroyed unnecessarily. As I said at the beginning of my speech, had there been any issue as to sustainability then each and every owner of those businesses would have more than will-

ingly walked away from the industries involved and started again, accepting that they could not afford to impact on what was their livelihood.

So I am pleased to see these legislative amendments coming through. I hope that by bringing these amendments through we do not allow this type of fiasco to occur again. I hope that we can resolve the outstanding problems of so many of those businesses that are struggling to survive. The government has been very generous in dealing with this issue, but unfortunately in some cases making assessments has taken far too much time. As I can understand the complexities of some of these businesses, I am sure there was no understanding by their owners at the beginning, given the misinformation that was being provided by the bureaucracy at the time, of the changes. There was no way that they would have been able to appreciate their impact and the damage that was being done.

On a final point, I refer to another matter raised by the member for Kingsford Smith. It was a little red herring, which was right up there with all the doom and gloom, about drilling on or around the Great Barrier Reef. This is a perpetual chestnut. Every time when they run out of good ideas they slip this one in. The reality is that the Great Barrier Reef Marine Park is protected in a way that it has never ever been protected before and there is absolutely no risk whatsoever of it being drilled or impacted. There is legislation in place that makes sure that will not and cannot happen. But it is all part of their scare tactics. When they have no ideas and they are looking at these ideological agendas that they try to push, they come out and push this nonsense about drilling on the reef, trying to frighten people. Those that know know it is absolute nonsense and there is no basis of fact whatsoever in it.

Mr MARTIN FERGUSON (Batman) (1.41 pm)—While it was a privilege to have been in the House to hear the member for Leichhardt, I must say, as he has raised the issue of drilling, that I would have thought, as the member for Leichhardt's electorate includes a huge slice of the Great Barrier Reef, he would have raised practical problems, such as the crown-of-thorns starfish, and talked about the need to give the industry up there greater assistance than it is currently receiving from the government. He should have noted the huge challenge to the industry at this very point in time and not raised some futuristic debate about drilling on the Great Barrier Reef—but then he is not known for practical solutions to readily evident problems.

It is a great pleasure to speak to the Great Barrier Reef Marine Park Amendment Bill 2007. It is a very important bill. It is of critical significance to one of my shadow portfolio responsibilities, tourism. We all appreciate its importance. To be fair to the member for Leichhardt, he too understands the importance of the tourism industry. It is a \$75 billion industry that employs over half a million Australians. It is a huge driver of jobs, especially for young people, in Australia, especially in regional communities. We appreciate that each year there are over two million visitors to the Great Barrier Reef, with the latest Access Economics report citing marine tourism directly related to the reef as being worth a huge \$5.8 billion and employing 63,000 people. So the reef is exceptionally important not just to Queensland but also to our national economy. From Cooktown to Cairns, Townsville, Mackay and Gladstone, marine tourism is a significant export earner underpinning the area's economy and dwarfing other industries such as commercial fishing. It is second only to mining.

The opposition understands how important tourism is to the region, and this is why I

stand here today to express concern over some aspects of the bill. Unfortunately, this bill essentially seeks to amend the act to implement in some instances key recommendations of the Uhrig review whose intent might be wrong. There are several key common-sense amendments proposed by the bill, yet there are also some potentially damaging aspects that could undermine the growth potential of Australia's tourism industry and its marine tourism sector in particular.

The bill makes the Minister for the Environment and Water Resources responsible for any future decision to amend the zoning plan and replaces the Great Barrier Reef Consultative Committee with a non-statutory advisory body. The members of the Great Barrier Marine Park Authority will be increased from a minimum of two and a maximum of four to a maximum of five. I note that the authority currently consists of a full-time chairman and three part-time members. One of the part-time members is nominated by the Queensland government. The current act also provides for one of the part-time members to be appointed to represent the interests of the Aboriginal and Torres Strait Islander communities living adjacent to the marine park. Unfortunately, and this is very important, the bill no longer provides for the automatic representation of the Queensland government or the interests of the Aboriginal and Torres Strait Islander communities. That is just plain wrong.

In fact, the Minister for the Environment and Water Resources has been given greatly increased powers under the bill to appoint members of the authority and the advisory board, and caution should be exercised in adopting these amendments. There are no guarantees any more that the interests of the Indigenous communities and the Queensland tourism industry will be adequately represented on the appropriate advisory body.

The reef is the most significant attraction for tourism within the Northern Queensland region, with about 80 per cent of tourists visiting the reef at least once during their visit. It is also important to Aboriginal and Torres Strait Islander people who have a long and continuing relationship with the Great Barrier Reef region and its natural resources. The reef also provides opportunities for local communities to grow and become self-sustaining. Trade networks, beliefs, music, art, laws and creation stories are still alive and continue to this very day within these communities. Empowering Indigenous peoples through involvement in all tiers of management will help develop effective and acceptable solutions for key Indigenous issues and is crucial for effective management of the marine park.

It is for these reasons, and for the sake of our environmental heritage, that we need to ensure that the reef is managed effectively and according to best practice. The marine park, as we appreciate, is enormous and spans over 344,400 square kilometres. The reef sprawls for over 2,000 kilometres and is made up of about 3,000 individual coral reefs. Like the ecosystems that define the beauty of the reef, management of the park is complex and diverse in the range of issues that need to be addressed. Coral bleaching, nutrient run-off, overfishing, warmer ocean temperatures, coral disease, rainstorms and pest outbreaks—like the crown-of-thorns starfish—are all factors that need to be addressed in actively managing the marine park.

A lot of attention has been given over recent years to the issue of the crown-of-thorns starfish, commonly known as COTS. They are not an introduced species as they inhabit most coral reefs around the world. However, if the natural conditions of the reef are altered, outbreaks occur with devastating effects. In 2003, for instance, there was an out-

break on the reefs between Cairns and the Whitsunday Islands which cost operators and the Queensland and Commonwealth governments about \$3 million a year to control. When starfish numbers are too large, there is intense competition for food and most types of corals will be eaten, including species that the crown-of-thorns starfish would usually ignore. They can eat so much that they can reduce the hard coral cover from its typical 25 per cent to 40 per cent composition of the reef surface to less than one per cent in a very short period. Such a reef can take 10 years or more to recover. The rate of recovery of reefs from the crown-of-thorns starfish, however, depends on many factors, including the rate of recruitment of corals to the reef and the impacts of cyclones and run-off from the land.

We hear quite often these days about the issue of climate change, but let us talk about the crown-of-thorns starfish, a practical everyday problem that we can actually influence more readily. While the global community still debates what actions need to be taken to address issues arising from warming ocean temperatures, the case study of the increasing frequency of crown-of-thorns starfish outbreaks provides an opportunity for Australia to do something practical to conserve what is clearly a critical area to Australia's tourism industry and the North Queensland Indigenous communities.

Increased human use of coastal zones has amplified the amount of nutrients flowing to the sea and has resulted in an increase in food sources for larvae of the crown-of-thorns starfish, which in turn has led to increased numbers of adult starfish. This then clearly results in outbreaks. Run-off to the ocean naturally occurs whenever it rains and higher nutrient levels are typical after high rainfall, especially after an extended dry period or drought. However, the amount of nutrients reaching the reef lagoons from the

adjacent rivers has increased several-fold since European settlement. Research from the CRC Reef Research Centre has indicated that an increased nutrient load could improve the survival of the crown-of-thorns starfish larvae, which could possibly cause outbreaks or increase the frequency or intensity of outbreaks. Recent mathematical models that mimic a tenfold increase in larval survival show that this would lead very quickly to more frequent outbreaks of crown-of-thorns starfish.

There are real opportunities here for Australia to demonstrate a practical, strong and long-term commitment to not only the environment but also Australian jobs, export earnings and Indigenous culture by addressing the issue of water quality, including the issue of nutrient run-off which contributes, unfortunately, to this challenge to the Australian tourism industry. Water, sediment and nutrients drain into the reef's heritage area from a catchment of 424,000 square kilometres. The catchment covers 25 per cent of Queensland and comprises 38 drainage basins both on the mainland and the large islands. Added to this, almost one million people live within the catchment area with nearly half of the population living in six coastal cities, indicating significant density in these cities.

Further, open range cattle grazing and sugarcane farming is the major land use in the catchment, particularly along the waterways on fertile coastal floodplains. Farming in the catchment is supported by extensive use of fertilisers, most of which are applied to sugarcane crops on the coastal plains. Over the last 50 years, fertiliser use has risen with the expansion of the industry and its increased application in the farming community. Most of the added fertiliser, specifically phosphorous, becomes bound to the soil and is transported with eroded soil into the waterways. The nature of these fertiliser

bounded soil sediments means that they can carry toxic materials further than they would if they travelled alone. The issue of run-off is complex and is influenced by rainfall events and that, in turn, affects the drift of plumes that can result in degradation of the reef by increasing water turbidity and reducing the amount of light that reaches the coral.

Still more research needs to be done to comprehensively understand the cumulative effect of all these factors on the health of the reef, and we need greater leadership at federal level to make this happen. This bill provides for greater powers for the Minister for the Environment and Water Resources, and I would encourage the minister to make use of these powers in addressing what I regard as issues very critical to the future of the reef.

There is also an opportunity for the Commonwealth to demonstrate leadership in addressing the issue of outbreaks of the crown-of-thorns starfish on the reef. Managing the starfish is a labour-intensive and expensive exercise and is only practical in small areas—often the areas that are frequented by tourists who expect a high cover of coral. The industry accepts that it is impossible to eradicate the starfish from reefs where they are in outbreak densities, but there is still a lot more that could and should be done.

Some tourism operators in the Cairns region, for the purposes of protecting the future of the region and their own operations, invest up to \$300,000 a year in crown-of-thorns starfish control programs. During active outbreaks, operators may need to remove 200-500 starfish every day in an effort to keep selected sites free of starfish. Since February 2002, the Association of Marine Park Tourism Operators—with whom I met recently—have been running a starfish control team that has conducted control efforts at 169 sites on 57 reefs. They are clearly pulling their weight, but they expect more assis-

tance from the Australian government. It is estimated that over 100,000 crown-of-thorns starfish have been removed as a result of this exercise. This number of starfish could conservatively consume 50,000 square metres of coral per night.

However, there have also been episodes where the number of crown-of-thorns starfish has been so great that the in-house programs have been unable to maintain sustainable levels on-site. To give you some idea of how serious and widespread these outbreaks can be, the current starfish outbreak on the reef occurred in the northern waters of the reef in 2000 and has progressively moved south. Tourism operators, in partnership with the Queensland government, applied for funding from the Commonwealth for a control program when the outbreak occurred in 2000. Some 18 months later, in 2002, the funding was made available—if anything, too late. By this time, the outbreak was well established and covered an area from Lizard Island in the north to Bait Reef in the Whitsundays. Further funding has been sought, granted and expended; however, the future of the control program now remains unclear. That is something to which both sides of politics have to give serious and urgent consideration.

When I state on behalf of the opposition that there is a real opportunity for the Commonwealth to demonstrate leadership, the outbreaks of the crown-of-thorns starfish are a case in point. It is a practical, realisable challenge to both sides of government. One has to ask why there was a delay of 18 months in providing the necessary funds. We have to have a contingency process which enables a draw-down of the funds when the problem occurs. This was a costly delay that enabled the outbreak to become well established, and the outbreak now requires more funding and more labour to control. There is a clear need, in actively and effectively man-

aging the marine reef park, for consideration to be given to establishing a contingency fund that allows the industry to access funds promptly when it needs them so that it can curb the extent of any outbreak.

The opposition have long been critical of the lack of federal leadership when it comes to the tourism industry, and this is another case in point. The marine tourism industry employs over 60,000 people in the cities and towns along the reef and is critical to the Queensland and Australian economies. Why then have we let, for five long years, an outdated and inadequate management system stay in place?

The key amendments of this bill, as resulting from the Uhrig review, do allow for some improvements to the management of the marine park. There are also some amendments that should be welcomed with caution. Not allowing automatic representation from Queensland or the Indigenous community is a cause for concern. There are also areas not addressed through these amendments that need attention if we are to conserve our Great Barrier Reef effectively into the future, not just to allow international visitors to admire its beauty but for our children and grandchildren to enjoy.

I commend the bill to the House and, in doing so, indicate our support for this second reading amendment. As I have indicated, this is an exceptionally important bill. It is about the future of the tourism industry and jobs for many Australians. I commend the bill and the second reading amendment to the House.

Dr SOUTHCOTT (Boothby) (1.57 pm)—In speaking to the Great Barrier Reef Marine Park Amendment Bill 2007, it seems an appropriate time to remember that it was the Fraser government in 1979 which first established the Great Barrier Reef Marine Park on the Capricornia section of the reef. It was also the Fraser government which pro-

hibited exploration and drilling for petroleum in the area of the Great Barrier Reef Marine Park. In 1981, the Great Barrier Reef was inscribed on the World Heritage List. These were all actions of a previous Liberal government and a demonstration that we have had a good strong track record on the environment but have always been able to balance it with other things. The bill that we are considering provides for a management plan which will incorporate the needs of tourism—there is \$5 billion in tourism to the Great Barrier Reef—but also the needs of fisheries in that area.

The Great Barrier Reef was inscribed on the list of World Heritage areas in 1981. It became the largest area of World Heritage, covering some 35 million hectares on the north-east continental shelf of Australia. It is the world's most extensive coral reef system, yet the Great Barrier Reef World Heritage area consists of much more than just reefs. It is an outstanding representation of a number of significant, ongoing ecological and biological processes. The area consists of 2,800 reefs, ranging in size from one to 100,000 hectares, and provides habitats for many different forms of marine life—including species like the dugong, considered to be endangered on an international scale.

The reef provides food sources for fish, sea urchins and molluscs, is a nesting area for endangered turtles and a breeding area for humpbacked whales. According to the Executive Director of the Association of Marine Park Tourism Operators, these are some of the attractions that have led to the creation of a \$5 billion reef based tourism industry. So there are very strong environmental reasons for the protection of the reef. But there are also massive industries around it—the tourism and fishing industries—and it is very important to balance all of those areas.

Since the election of the Howard government, the protected zones within the Great Barrier Reef Marine Park have increased from 4½ per cent to 33.3 per cent.

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

Budget 2007-08

Mr RUDD (2.00 pm)—My question is to the Prime Minister. I refer the Prime Minister to OECD research that concludes that the earlier governments invest in education the better the return for the child and the economy. Prime Minister, given these findings, why does Australia, even after last night's budget, still rank last in the OECD on spending on early childhood education?

Mr HOWARD—I certainly agree that early intervention not only in a child's education but also in assisting parents is highly desirable. I think the Leader of the Opposition would be aware of some of the discussions that took place at COAG on this matter, and I think the Leader of the Opposition would also be aware of the historic responsibility under our arrangements with state governments for early childhood education.

Budget 2007-08

Mr CIOBO (2.01 pm)—My question is addressed to the Treasurer. Will the Treasurer outline to the House how the budget announced last night will strengthen the Australian economy to deal with the challenges of the future?

Mr COSTELLO—I thank the honourable member for Moncrieff for his question. The budget which the government announced last night will invest for Australia's future. It will invest in higher education, with

an innovative fund called the Higher Education Endowment Fund which will set up for a generation investment in higher education. It will give incentives for apprentices to take up first- and second-year apprenticeships in skills shortage areas. It will improve primary education. It will grow the capacity of the workforce. By improving child care, we will be able to give encouragement to those mothers who want to return to the workforce to do so.

Last night I announced income tax cuts for every Australian, which will increase the rewards a little for skill and effort. Our economy has come through a period of continuous economic growth, the like of which we have never had before in Australia. In order to keep Australia strong we now need to boost the capacity of the Australian economy. We will do that with an investment in skills, we will do that with an investment in education, we will do that with a better tax system, we will do that with investment in roads, we will do that with investment in rail, we will do that with our education endowment fund and we will do that with the Future Fund. This is a budget which locks in the benefits and the hard work of the past, and it invests for a future which our country deserves and wants to have.

Budget 2007-08

Mr RUDD (2.03 pm)—My question is to the Prime Minister. Will the Prime Minister confirm that Budget Paper No. 1 discloses that education spending as a proportion of total government expenditure will fall from 7.7 per cent in 2005-06 to 7.4 per cent in 2010-11? How can this be a budget about the future when the government's investment in education, as a proportion of total spending, falls over the next four years?

Mr HOWARD—The basis on which the Leader of the Opposition asked the question is wrong because, whereas some years ago

Austudy assistance was included in the education provision, it is no longer the case, and that gives a radically different outcome. While I am on my feet, can I remind the Leader of the Opposition that, when the government came to power, it inherited a \$10 billion annual deficit and a \$96 billion debt. As a consequence of that, it was necessary for us to make very significant spending reductions in our first budget. I can well remember that at the time I resolved that the only areas that would be quarantined from expenditure reductions were those relating to essential income support and defence and that every other area of the budget, because of the profligacy and the irresponsibility of the Australian Labor Party, had to bear its share of cuts. So that explains why some decisions were made in 1996.

But can I just say to the Leader of the Opposition that this groundbreaking historic commitment of \$5 billion into the Higher Education Endowment Fund represents a genuine education revolution. This is an education revolution of which this country can be very proud. It reaches not only into universities but into technical education and schools. The Commonwealth is picking up the ball dropped in many areas by state governments.

I say to the Leader of the Opposition that the parents of Australia actually believe that, when their children leave school, they ought to be able to read and write and add up. They think those basics of education ought to be delivered by the education systems, which are the responsibility of the states. We are only too happy to plug the gaps that are emerging. That is why we have introduced this outstanding across-the-board voucher system—a voucher of \$700 a year to address literacy and numeracy requirements. It is a wonderful provision and it is a wonderful earnest of this government's long-term

commitment to the education future for all Australians.

Economy

Mrs MARKUS (2.06 pm)—My question is addressed to the Prime Minister. Is the Prime Minister aware of claims that the Australian economy is strong only because of the mining boom? Are these claims correct?

Mr HOWARD—It so happens I am aware of those claims. Those claims are made every day by the Leader of the Opposition and by the member for Lilley. They are made every day by people on the front bench of the Labor Party. It is very interesting that that question has been asked of me by the member for Greenway, and the last time I checked there were no iron ore mines in Greenway. The last time I checked there were no major coal deposits in Blacktown. The last time I checked there was no source of gas in the western suburbs of Sydney.

Government members interjecting—

Mr HOWARD—You know the gas I am referring to.

Mr Costello—Natural gas.

Mr HOWARD—Natural gas. It is very interesting that, despite the absence of all of those wonderful commodities, the unemployment rate in Greenway was 8.8 per cent in March 1996 and it is now 4.2 per cent. What the Leader of the Opposition would have us believe is that all of that is due to what is happening in Western Australia and Queensland—that it has all been transported, courtesy of I do not know what, over to the western suburbs of Sydney.

The truth is that most sections of the Australian economy have undergone massive growth over the last 10 years. I point out to the House that the December quarter national accounts show that in the year to December 2006 mining output grew by 5.8 per cent in real terms compared to 8.8 per cent in con-

struction, 7.4 per cent in transport and storage, and 6.7 per cent in communication services. The latest statistics of the Australian Taxation Office show that the fastest growth in company income was in fact in finance and insurance, which comprised 23.7 per cent of company income in 2003-04 compared to 25.4 per cent in 2004-05. There is no doubt that it is a great time to be in mining in Australia. There is no doubt that the mining boom is contributing massively to the strength of the Australian economy. But it is totally fallacious to claim that the only reason we are now doing well is that providence gave us a wonderful array of resources that are in great demand around the world. The Australian economy has performed strongly right across the board. Mining has made a great contribution to that.

On the subject of mining, there is a risk to the strength of the mining industry in Australia. There is a real risk, and I reminded the people of Western Australia of this when I spoke on Western Australian radio. I pointed out that the real risk to the mining boom is Labor's industrial relations policy. The real risk to the mining boom is the abolition of AWAs. The real risk to the mining boom is to bring back the supremacy of collective bargaining across all the mining operations of this country. The real risk to the mining industry is that this country, once again, if a Labor government were to be elected, would be burdened with an industrial relations policy not serving the interests of the mining industry, not serving the interests of workers in the mining industry, not serving the interests of the future prosperity of our nation but rather serving the interests of union power. That is why if we worry about the mining industry, if we care about the mining industry, we will understand that the greatest threat to the mining industry is the election of a government with the policies of the Australian Labor Party.

Budget 2007-08

Mr SWAN (2.10 pm)—My question is directed to the Treasurer. Is it the case, Treasurer, that over the last 11 years government investment in education has fallen from two per cent of GDP in 1995-96 to 1.6 per cent of GDP, even after the measures announced in last night's budget?

Mr COSTELLO—As it turns out, that is not the case. I must say there are traps for young players.

Government members interjecting—

Mr COSTELLO—I am sorry, there are traps for middle-aged players. I have heard this being recounted on radio over and over again. Let me put the facts on the table. Australian government expenditure on education has increased by 38 per cent in real terms from 1996 to 2007. What the honourable member for Lilley has been unable to fathom, and the Prime Minister explained it to him in the answer to the last question on this, is that Austudy was absorbed into Youth Allowance in the 1998-99 budget and thereafter Austudy—which was about \$1.5 billion and had previously been classified as an education outlay—was classified as family and community services outlay. If you add in that \$1.4 billion that moved classifications then in fact you do not get that decline at all. A modicum of research would have actually disclosed this to the opposition. But the opposition is not worried about research; the opposition is more worried about tomorrow's headline.

Mr Tanner interjecting—

The SPEAKER—Order! The member for Melbourne.

Mr COSTELLO—The claims made against the budget have gotten more and more shrill as the last 24 hours have proceeded. First of all we were warned that we should not cut taxes; and now these are tax

cuts that were required for working people. We were warned that we had to invest in education; and then when we invest in the biggest build-up of education ever it is not in the right areas. We were warned that we had to have investment in road and rail; and when we have investment in road and rail it is in the wrong areas. If you want to run a \$1 trillion economy, you have to get up early and you have to do some work—and that is what the member for Lilley cannot do.

Budget 2007-08

Mr BAKER (2.14 pm)—My question is addressed to the Treasurer. Would the Treasurer outline to the House the benefits to Australian taxpayers announced in the budget last night that derive from 11 years of careful economic management?

Mr COSTELLO—I thank the honourable member for his question. Last night I announced cuts to income tax for all Australians—for all Australians that pay income tax. We will do that in two stages. In the first stage, we will lift the threshold for paying 30c in the dollar from \$25,000 to \$30,000, and in the second stage we will lift the threshold for the 40c rate from \$75,000 to \$80,000 and the threshold for the 45c rate from \$150,000 to \$180,000. All Australians get an income tax cut as a consequence of that. For those that are on average wages—between \$40,000 and \$50,000—this will be a tax cut of \$16 a week. That will be helpful for families, it will improve work incentives and it is consistent with our policy.

The shell press release that the Labor Party delivered to all its candidates has been sent to me, and I will table it in a moment. I am pleased to see that it starts off as follows:

Federal Labor Candidate for <Insert Electorate> Mr/Mrs <Insert Candidate Name> tonight welcomed tax cuts for working families and carers ...

That is good. That is in the shell press release that the Labor Party has put out. It continues:

“Make no mistake, all <Insert Electorate> families deserve to share in the profits from the mining boom—a boom ...

This reads like a text from the Leader of the Opposition on radio this morning—he probably was reading this out. What is the name of his electorate? Insert name here—K. Rudd, electorate Griffith. It continues:

“Their inclusion in tonight’s budget is welcome”, <Insert Candidate Name> said.

Mr/Mrs <Insert Candidate Name> said the 2007 Federal Budget was a cynical, pre-election budget.

How do you like that? You have got a cynical shell press release which accuses the government of cynicism. You have got to say it has chutzpah. As George Burns famously said, ‘Sincerity is everything. If you can fake that, you’ve got it made.’ Cynicism is everything, and, if you can cynically accuse someone of cynicism, you have got it made. There is the shell press release. That is about all the work that the Labor Party did on the federal budget. I table it and will take further questions from that shell press release.

Budget 2007-08

Mr RUDD (2.18 pm)—My question again is to the Prime Minister. It refers to my earlier question where I asked the Prime Minister to confirm whether Budget Paper No. 1 disclosed that education spending as a proportion of total government expenditure will fall from 7.7 per cent in 2005-06 to 7.4 per cent in 2010-11. Prime Minister, I refer to your answer to my question where you said that it was based on the wrong premise because it failed to take into account the different treatment of Austudy back in the late nineties—which had nothing to do with my question at all. Prime Minister, will you in fact answer the question I asked you, which is a future comparison about your government’s commitment to education outlays, not

the answer that you gave me before which is about the past.

Mr HOWARD—By reminding the Leader of the Opposition of what I said in answer to his first question—it has been validated and supported by what the Treasurer has said—the truth is that the provision made for education in this year's budget represents a historic turning point in supporting all levels of education.

Budget 2007-08

Mr NEVILLE (2.19 pm)—My question is addressed to the Deputy Prime Minister and the Minister for Transport and Regional Services. Will the Deputy Prime Minister inform the House how the budget will deliver the infrastructure that Australia needs into the 21st century? How does this compare with previous funding?

Mr VAILE—I thank the honourable member for Hinkler for his question. As he has been for some considerable time the chair of the House of Representatives transport committee, I know that he takes a great deal of interest in investment in transport infrastructure in Australia for today and into the future.

As the Treasurer has indicated, the budget is about locking in future prosperity in the Australian economy and capitalising on the work that has been done in this country over the last 11 years. There is no aspect of the budget that is more important than the investment in future transport infrastructure in Australia, particularly in our roads and rail networks. Giving certainty in all the areas that we participate in funding and giving certainty to funding partners, both at state and local government level, is well into the future. Last night's announcement in the budget by the Treasurer that we would be committing \$22.3 billion to the second stage of AusLink funding for road and rail infrastructure in Australia is a historic increase

and a historic commitment to that infrastructure investment in Australia.

We have invested \$15.8 billion in AusLink 1 and \$22.3 billion in AusLink 2, if you want to call it that. A 41 per cent increase in AusLink 2 will take the total 10-year investment of this government in land transport infrastructure to \$38 billion—\$38 billion over a 10-year period. Part of the budget announcement includes \$15.8 billion on the national roads network—significant funding to start planning and detail work on rail infrastructure in Australia. We are already investing and we need to continue to invest. We need to continue the economic growth that is delivering the prosperity that we have in this country and we need to lock that in into the future.

Put very simply, the programs that are contained within AusLink build better highways, safer highways and more efficient highways across the nation. They improve local roads, so mums and dads taking their kids to school are much safer. They build safer roads in local communities. They build road and rail systems that will be more efficient in getting our exports to marketplaces across the world. These are serious investments that secure the future prosperity of the Australian economy. As I indicated, we have funding partners in this. We have arrangements with the states and with local government. We expect those arrangements to share the costs and the risks. Commonwealth taxpayers are not going to carry the burden of all the risks. We need to engage with the states. We need to have a serious discussion with them about how this \$22 billion will be delivered in the future.

There have been some very interesting comments on last night's budget from some interested observers—and from some who have not always been supporters of this government, I might add. The first quote is from

a press release from the NRMA in New South Wales. The president of the NRMA, Mr Alan Evans, said:

This strong investment in Australia's road network is key to sustaining a growing economy.

He went on to say:

Tonight's budget is great news for motorists, businesses and industry.

The Australian Trucking Association—obviously an organisation that is very interested in the infrastructure investments of the future in Australia—said:

We applaud the Australian government on its commitment to land transport.

It went on to say:

This is a clear sign the Australian government is listening.

That is absolutely right. We are working with industry; we are consulting industry. We are also working with communities to address their infrastructure needs in their local areas. I say again: this investment in infrastructure, in the future of Australia, is all about locking in the future growth and the future prosperity that we expect to see in the Australian economy.

The SPEAKER—In calling the Leader of the Opposition, I remind him that he should not use the pronouns 'you' or 'your' in his questions.

Budget 2007-08

Mr RUDD (2.24 pm)—My question is again to the Prime Minister. It refers to my two previous questions of the Prime Minister. It relates to the government's outlays on education as a proportion of total government outlays, and it compares government outlays in 2005-06 against those in the government's own budget papers for 2010. Again I ask the Prime Minister: will the Prime Minister make reference to his own Budget Paper No. 1 and, to table 3 in statement 6 of the budget papers, and confirm to

the parliament whether or not outlays on education as a proportion of total outlays go down over that period?

Mr HOWARD—I always analyse what the Leader of the Opposition puts to me, but nothing can gainsay the fact that this education announcement made by the government has been applauded across all sectors of education. Some of the vice-chancellors have said that it is far ahead of anything they ever dreamt of receiving. The truth is that the Leader of the Opposition, who has talked long and hard about an education revolution, now finds himself in the embarrassing position that this government has done far more for education than he has ever promised to do. That is the dilemma of the Leader of the Opposition.

Budget 2007-08

Mr TOLLNER (2.25 pm)—My question is addressed to the Minister for Education, Science and Training. Would the minister inform the House of what the government is doing to ensure universities become truly world class? Will Charles Darwin University, the university in my local area, benefit from these initiatives?

Ms JULIE BISHOP—I thank the member for Solomon for his question. I can confirm that, last night, the Treasurer announced an unprecedented investment in our universities—a \$1.7 billion package of funds for our universities, plus a \$5 billion Higher Education Endowment Fund. The income from this fund, which we estimate to be about \$300 million a year, will be distributed to universities. They will be able to use this fund to invest in capital works and research facilities. We believe that over time all universities in Australia will be able to build world-class facilities so that our students will have the opportunity to study in world-class institutions.

Our universities will be able to build state-of-the-art facilities, science blocks, computer laboratories, libraries and lecture theatres. This will apply to universities across the country, including universities in the member for Solomon's electorate, particularly Charles Darwin University. Charles Darwin will also be eligible for a range of other initiatives contained in this higher education package. The raft of reforms will give our universities the freedom, the flexibility and the funding to manage student demand and to offer courses that students want to study.

Last night the Treasurer announced that almost \$560 million in additional funds will be available for universities to deliver high-quality courses in areas of national need—in science, maths, engineering, allied health, medicine, dentistry, nursing and teaching. I want to point out that our universities will receive more funding for our teaching courses and more funding to improve the practical experience of student teachers so that our universities will be able to produce high-quality teaching graduates for our schools.

We are also going on to support teachers in schools. Teachers will be eligible to apply for Australian government summer schools, where they can upskill their qualifications and abilities in areas and receive a \$5,000 bonus on completion. We will also reward schools that make a significant improvement in the literacy and numeracy standards of their students. These schools will be eligible for rewards of up to \$50,000.

With a total package of \$3.5 billion for schools and universities, plus the \$5 billion Higher Education Endowment Fund, we have put our schools and universities in a strong position. This was possible only because of the strong economic management of the Howard-Costello government; it was possible only because we had budget sur-

pluses. The Labor Party can only dream of coming up with initiatives that put our universities on a sustainable, long-term footing. This is unprecedented.

Budget 2007-08

Mr SWAN (2.29 pm)—My question is directed to the Treasurer. Can the Treasurer confirm that productivity growth when the coalition took office in 1996 was 3.2 per cent per annum, at the turn of the decade it was 2.2 per cent per annum, in the *Intergenerational report* it will be just 1.5 per cent this decade and in the budget papers last night it is zero for 2006-07? Doesn't the Treasurer agree that these figures show that the productivity performance of his government is one of abject failure?

Mr COSTELLO—I think the record speaks for itself: continuous economic growth of 3½ per cent per annum, inflation averaged at 2½ per cent per annum, two million additional jobs, unemployment falling from 8½ per cent to 4½ per cent, interest rates falling from 10½ per cent to eight per cent, a budget deficit of \$10 billion turning into a budget surplus of \$10 billion, \$96 billion worth of debt paid off, \$100 billion of superannuation liabilities now provisioned with \$50 billion of the Future Fund and an endowment fund that will rebuild Australia's educational capacity forever. I think that, if Australians look at the record of this government and compare it with the record of the predecessor government of the Labor Party, they will draw their own conclusions.

Having said that, let me make a couple of points in relation to productivity. The first point is that productivity will be enhanced in the Australian economy by a better industrial relations system. There would be nobody in Australia who would believe that by going back to collective bargaining and getting rid of AWAs you would do anything other than detract from productivity. The people who

think that include Sir Rod Eddington, the Labor Party adviser in relation to industrial relations, the person the Deputy Leader of the Opposition dismissively refers to as 'another voice'—

Ms Gillard—Not true!

Mr COSTELLO—Not true? Not true, she says—she says didn't refer to him as 'another voice'. You didn't call him 'another voice'? We've got that on the record—apparently she did not call him 'another voice'.

Ms Gillard—Get the transcript.

Mr COSTELLO—What did you call him—not a voice at all? All right, we will get the transcript. But there is no need to be embarrassed about it, because this was the first policy that was released by the Rudd opposition. It was something that you were proud of not so long ago. Maybe some realism is beginning to intervene. I will say, if Labor is embarrassed about its IR policy, that it is a step out of the Stone Age. Let us hope that embarrassment leads to realisation, that realisation leads to change and that change leads to the embracing of AWAs and an industrial relations system that will generate future income for Australia.

One of the reasons that productivity in the mining industry at the moment looks as though it has actually turned down is that the mining industry is going through a huge investment phase. If you go through a huge investment phase, if you are in a phase where large investment of capital is going out before you get volume, it shows as productivity declining. Does that mean that the mining industry has suddenly become unproductive? No, it means it is going through a huge investment cycle which, when it leads to more volumes, will actually dramatically increase productivity.

One of the other reasons you find that at times of full employment you get temporary

downturns in productivity is that you begin to bring back into the workforce people who were previously marginalised—people who have been locked out, people whose skills are not great. But, as you bring them into the workforce, as they learn those skills over a period of time, their productivity matches that of other employees. So you always find that at a time in the cycle when you have near to full employment.

With good industrial relations, with good investment, as we make sure that we increase the capacity of the Australian economy, I believe that we have more productivity to unleash in this economy. But I tell you this: we will only unleash productivity in this economy if we are flexible and forward looking. If we go back to centralised industrial relations, if we go back to the old conflict between labour and capital that the ACTU and all of their minions in this parliament believe in, that will be going back to the 20th century, the 19th century or worse. We are about the 21st century, about flexibility. We are the coalition: we build for the future!

Budget 2007-08

Mr BARTLETT (2.36 pm)—My question is addressed to the Minister for Health and Ageing. Minister, how will chronically ill patients in my electorate benefit from last night's budget initiatives?

Mr ABBOTT—I thank the member for Macquarie for his question. The 2007-08 budget was certainly another very good budget for health. It will be very good for the people of Australia. It will be very good for the people of Macquarie, thanks in part to the new dental school that will be established at Charles Sturt University—which I believe is already being called, in some local circles, the Kerry Bartlett dental school. It is a well-deserved title!

A government member—Not the Tony Abbott dental school?

Mr ABBOTT—No, not the Tony Abbott dental school; not even the Peter Costello dental school—the Kerry Bartlett dental school! I have to say that the new measures in last night's budget are possible only because of the great economic management that has been delivered to this country by the Treasurer and the Prime Minister. New measures in last night's budget will add \$4.6 billion to federal government health spending. They will take total health expenditure to \$52 billion next year, and they will take health spending as a percentage of total federal government spending to 22 per cent. That is up from just 14 per cent back in 1996. But we are not just spending more money; we are getting better results. According to the Australian Institute of Health and Welfare, since 1996 there has been a three-year increase in the life expectancy of average Australian males and a two-year increase in the life expectancy of females. That is because of the sensible investment of this government in better health services.

It was a particularly good budget for people with chronic disease. In addition to care plans from their GPs, people with multiple conditions will soon benefit from longer consultations with specialist physicians, and that measure is estimated to cost some \$291 million. But even more importantly, for people with chronic conditions whose poor oral health is impacting on their general health, there is now greatly expanded access to Medicare funded dentistry. Instead of just three consultations a year, under Medicare those patients will be eligible for an initial consultation and up to \$2,000 worth of subsequent treatment a year.

We are not relieving the states of their responsibility for public dentistry but we will not leave people in health crisis. Many of the 650,000 people on those public dental waiting lists will be eligible for a team care plan. My message to them is this: the Howard

government will not let you down. It is a tribute to the way the Treasurer has managed health that it was only after question time began that we finally heard from the member for Gellibrand who, after two o'clock, finally surfaced with a press release that said: 'Dental program lacks bite.' Well, I tell you what: Medicare has a lot more bite than ever before; it has a lot more bite than it ever had when Labor was in charge. The Howard government is proving by its actions, not just by its words, that it is the best friend—the very best friend—that Medicare has ever had.

Budget 2007-08

Mr SWAN (2.40 pm)—Mr Speaker, my question is to the Prime Minister. How can the Prime Minister claim that this is an education budget when it has no plans to underpin education through the rollout of a high speed broadband network? Does the Prime Minister believe that it is acceptable for children in countries like Singapore, Japan and Korea to have access to high-speed broadband infrastructure for their education, when Australian children do not?

Mr HOWARD—I believe that high-speed broadband is important to the education future of this country. I just do not believe that the Australian taxpayer should pay for something through raiding the Future Fund and plundering \$2 billion from the budget which is available for enhancement of communications services in the Australian bush. I do not believe that that \$4.7 billion should be taken—\$2.7 billion from the Future Fund and \$2 billion from rural people—to subsidise commercial operations which ought, as an operation of market forces, provide the broadband that the Australian community needs. This is the Australian Labor Party equivalent of the great debates the British Labour Party used to have about clause 4 of

the Constitution and whether you would renationalise a whole lot of industries.

While I am on my feet, can I say that the member for Lilley asked me to validate the argument I made that this was an education budget. His leader had asked me some questions and invited me, and I have now had an opportunity to look at the paper from which he quoted. It is a very revealing examination. Let me read from under the title 'Education', 6.10 of Budget Paper No. 1. Bear in mind that the Leader of the Opposition asked me two questions that were calculated to demonstrate that expenditure on education, so far from rising, had actually fallen.

Opposition members interjecting—

Mr HOWARD—I see. To start with it was 7.5 and 7.4, but that 7.5 and 7.4 was not a percentage of GDP. It was not an attempt to compare education spending from one year to the next; rather, they were percentages of aggregate government spending and made no allowance for the fact that expenditure in other areas may have increased at an even faster rate than education—such as expenditure on defence and expenditure on family benefits.

I would like the member for Lilley to leave question time with a feeling of tranquillity and peace about the subject of education. I will quote from Budget Paper No. 1. It reads as follows, and I invite the member for Lilley and the member for Griffith to listen to this:

Total expenses under the education function are estimated to increase by 9.0 per cent in real terms from 2007-08 to 2010-11, or 3.4 per cent annually on average. The major drivers of this growth are the significant new measures for schools and universities announced in the 2007-08 Budget ...

This is specifically on the point that I know worries the member for Lilley; I know he worries about this. It goes on to say:

Higher education funding is estimated to rise by about 9.7 per cent in real terms from 2007-08 to 2010-11 or 3.7 per cent annually on average.

All I can conclude is that the Leader of the Opposition is being trickier than usual with his figures. The truth is that we have had an education revolution. The truth is that on the centrepiece—

Mr Albanese—Mr Speaker, I rise on a point of order. As you know, this question was about broadband. We know that the Prime Minister knows nothing about it and its relation to education—

The SPEAKER—The Manager of Opposition Business will resume his seat. He will recall that the question started off referring to education and then went to broadband. The Prime Minister is in order.

Mr HOWARD—I am broadbanding my answer. I will repeat it because I think the member for Grayndler may have missed it. This really is the thing that I know bugs the opposition. They have been talking about education for the last four or five months. Everywhere they go: 'Education revolution!' Everywhere they go: 'The way forward is education.' That is absolutely right, and the way you go forward in education is in part to spend more money on it, which we are doing. It is also to raise standards, which we are doing. It is also to acknowledge the professionalism of teachers in Australia, which we do. It is also to recognise the passion of parents to make certain that our schools actually teach children how to read and write and add up. That is what the Australian public wants and that is what this education revolution will deliver.

Budget 2007-08

Miss JACKIE KELLY (2.46 pm)—My question is addressed to the Minister for Defence. Would the minister outline to the House the impact of the budget on defence

capability and the recruitment and retention of defence personnel?

Dr NELSON—I thank the member for Lindsay for her service to our country in the Royal Australian Air Force and for now doing a magnificent job looking after the mainstream Australians in Western Sydney, in the electorate of Lindsay. The Treasurer last night, in ‘Locking in the gains, investing in Australia’s future’, announced the largest increase in defence investment over the past 30 years for a single budget. Last night it was announced by the Treasurer that defence expenditure will increase by 10.6 per cent over the next year, which will take it to \$22 billion. Over the last 11 years, since this government came to office, defence expenditure has increased in real terms by 47 per cent. In fact, when this government came to office in 1996, the deficit inherited from the Labor Party was almost as large as the defence budget in that year alone.

Last night an additional \$14 billion was committed by this government to defence over the next 10 years, investing not only in equipment but also in people, who are indeed our most important asset. The \$2 billion announced for recruiting and retention includes, for example, a significant increase to the home loan subsidy for Defence personnel, both regulars and reservists. Whereas the home loan subsidy was \$136 a month for eligible diggers, it is now going to as much as \$470 a month tax free. In addition to that, 18,000 nonofficers, the lower ranks in our military, will receive pay increases of up to some \$5,000.

We are also announcing that we will be going into partnership with schools and the private sector to drive apprenticeships and training in the Australian Defence Force. There will also be a significant increase in advertising to make sure that we not only focus on having a very visible presence for

our three service uniforms in the Australian community but also get back to promoting service in the Australian Defence Force on the basis of the values represented by the three uniforms. There is also an additional \$100 million for cadets, and I encourage all parents—and my own son was in the Army Cadets—to do what they can where possible to get their kids into cadets. Another 1,000 cadets will join as a consequence of this budget.

In addition to that, the Treasurer announced \$6 billion over the next 10 years for the acquisition of 24 FA18F Super Hornets, which will enable us to retire the F111 and safely transition to the Joint Strike Fighter in the next decade, and another \$4 billion for spares and repairs—logistics so important to ensure that we do not get back to Labor’s defence force, where we ended up having to cannibalise FA18s on the ground to keep ones in the air flying. It is very important to this government that we never return to the days of the Australian Labor Party. It is very important that Australia has a cutting-edge high-end warfare fighting capability, whether it is antisurface ship or air combat, at the same time as preparing the Defence Force for the next decade in security stabilisation, maritime border protection, counterterrorism and security, and humanitarian relief in our region. This budget delivers on the economic dividend of the last 11 years and makes Australia, its interests, its people and its values more secure on our borders, in our region and throughout the world.

Budget 2007-08

Mr RUDD (2.50 pm)—My question is again to the Prime Minister. Will the Prime Minister now confirm, firstly, that in 2005-06 education outlays as a percentage of total government outlays stand at 7.7 per cent of budget, according to the government’s own papers; secondly, that in 2010-11 education

outlays as a percentage of total government outlays in fact stand at 7.4 per cent of budget according to the government's own papers; and, finally, that 7.4 per cent is less than 7.7 per cent? Prime Minister, haven't you simply got your answer to this question fundamentally and totally wrong?

Mr HOWARD—No, because the answer to that question is that I confirm all of the figures in the budget paper, and those figures reveal that expenditure on education is going to increase in real terms very significantly over the next three or four years as a result of the measures announced last night.

What I think the Leader of the Opposition is getting at is the proposition that, although there has been an increase in expenditure on education, in other areas of government expenditure there may have been an even bigger increase than has occurred in the area of education and, therefore, the percentages of total expenditure from one year might be lower than in a later year, or the other way around. That does not prove, as the Leader of the Opposition is trying to allege, that we have cut government spending. The whole point of this tawdry exercise—and it is a tawdry exercise—by the Leader of the Opposition is to try to establish that we have reduced spending on education. We have in fact done the complete reverse, and education spending is going to rise over the next four years by more than 3.5 per cent a year in real terms as a result of the measures announced by the Treasurer last night.

I say to the Leader of the Opposition: yes, I confirm these figures; yes, I confirm that from one year to the next, because there will be differential rates of increase in expenditure, there may be a situation where a given area as a percentage of total outlays will fall from one year to the next without the real level of that expenditure falling at all. There is nothing remarkable about that, and the

Leader of the Opposition is just trying to be too clever by half.

Budget 2007-08

Mr HARDGRAVE (2.53 pm)—Mr Speaker, my question is addressed to the Minister for Families, Community Services and Indigenous Affairs. Would the minister inform the House how last night's budget will impact on Australian families, from Calamvale to Chelmer and in Annerley, Moorooka, Salisbury, Sunnybank and other places like those, around Australia? What has been the response to these announcements?

Mr BROUGH—I thank the member for Moreton for his question. This budget unashamedly puts families at the centre of the priorities of the Howard government. This is an additional \$4.5 billion commitment to Australian families over the next five years. Of course, there are tax cuts for all Australians who are in the workforce. Those who are retired are getting their superannuation tax free but high-income, self-funded retirees will get a tax cut. Beyond that, we have taken into account childcare costs, and we have dramatically reduced that burden on Australian families.

For the member for Moreton, about 6,600 families in the Moreton electorate will benefit. For an average family on a low income with one child in care, that means about \$20.50 less in the cost of child care as a result of the increase of 13 per cent in childcare benefit. The member for Moreton, along with all other honourable members, might like to tell families that are in child care that this year they will be able to claim two lots of childcare tax rebate. That means they will be able to claim up to \$4,000 of their out-of-pocket expenses between now and the end of the year. That is as a result of the Howard government listening to families who said they really appreciated childcare tax rebate, but they would like it to be a bit more

timely—and the Howard government has delivered.

We have not forgotten those families who have disabled children. We have increased our spending by an additional \$62 million to assist some 3,000 families to have their disabled children, those kids with slightly higher needs, supported in child care. I think that is a really important measure.

For those in the bush, sometimes child care becomes quite marginal as far as viability is concerned. Regional and rural members on both sides of this House can go back and say that the Howard government is committing an additional \$43 million for those families so they can access a quality childcare place.

We do not always get positive comments from ACOSS, but on this particular occasion Lin Hatfield Dodds said she welcomes the government's initiatives on child care and education—the minister for education will be happy to hear that—which are targeted at low-income Australians; not those 'Mr Rudd battlers' on one-quarter of a million dollars but the real battlers. ACOSS said that, rather than cutting taxes, they were looking for the government to invest in these sorts of things—and that is why Lin Hatfield Dodds is right; we have actually cut taxes for those people and we have improved their access to child care.

There are other important families that the Howard government has paid attention to: for example, older families. In the electorate of Moreton, some 11½ thousand older families will receive the one-off \$500 bonus before 30 June this year to help them with their out-of-pocket expenses.

Dr Nelson interjecting—

Mr BROUGH—Real money, as the Minister for Defence said.

Mr Swan—Does it exist?

Mr BROUGH—It exists. I know the member for Lilley thought that the family tax supplement was not real. I can tell him that that was real. This is real. It will be appreciated by those families out there, who say that the Howard government is listening and helping them share in the wealth of this nation that they contributed to. In the past, the Howard government has given larger families—those who have been blessed with triplets or quadruplets—a bonus, whereby they got \$3,000 for a family with triplets and just over \$4,000 for a family with quadruplets. That used to cut out at when the children were six years of age but now it will go right through to 16 years of age or when the children turn 18, in their last year of education.

It does not matter how old you are, it does not matter how many children you have, and it does not matter if you are struggling with the complexities of being a carer, the Howard government has listened to Australian families. We have shared the prosperity of this nation, and we have allowed everyone to benefit from the strength of the Australian economy.

Budget 2007-08

Mr STEPHEN SMITH (2.58 pm)—Mr Speaker, my question is to the Minister for Education, Science and Training. Isn't it the case that last night's budget increased the student HECS contribution, effective from January 2008, by more than \$1,200 per year for new students studying accounting, economics or commerce? Doesn't this increase the student HECS contribution by nearly \$200 million over the life of a three-year degree?

Ms JULIE BISHOP—I can confirm that under a Howard government no accounting student will be paying \$200 million for an accounting degree!

Government members—Ha, ha!

The SPEAKER—Members on my right! Order!

Ms JULIE BISHOP—Last night in the budget the Treasurer announced in the \$1.7 billion higher education package that some \$560 million in extra funding would be delivered to universities for courses such as science and maths and engineering and allied health and medicine and dentistry. In maths and science there will be an increase of some \$2,729 per place; in allied health, some \$1,889; and in engineering, science and surveying and clinical psychology, \$2,729. So all told, that is \$560 million in increased funding for specific courses that are part of our national priorities. In the case of accounting and commerce, we have put that into the same category as law because that reflects the cost of delivery of that course, it reflects the demand and it reflects the gross lifetime earnings of accounting graduates. Universities can decide for themselves whether or not there should be any change to the HECS.

Vocational and Further Education

Mr LAMING (3.00 pm)—My question is to the Minister for Vocational and Further Education. Would the minister inform the House how the government has continued to invest substantially in vocational and further education? Minister, are there any alternative policies and what is the government's response?

Mr ROBB—I thank the member for Bowman for his question and for his very genuine interest in this area. I might begin with the alternative policies, because there I can be brief. In Labor's much touted *Education Revolution* document, on skills needs, the so-called skills crisis, and vocational and technical education the sum total of discussion was four lonely paragraphs—and not one idea amongst them. Yet the member for Lilley last night was out asserting that Labor

had set the agenda on vocational and technical education. Fortunately, we have not waited for Labor to tell us what to do, and I can report for the benefit of the member for Lilley that in 1996 there were 1,500 people doing apprenticeships in his electorate. He can now go back and report to his electorate that today there are 4,280 people doing apprenticeships—nearly a threefold increase in the last 11 years. So we have done a lot. We have now spent around \$3 billion a year compared with \$1 billion 10 years ago when we took over office. That is a 99 per cent real increase in spending on vocational and technical education in the last 11 years.

Yet we have a rapidly ageing population and the experience of well over a decade of uninterrupted economic growth. This means that we have further challenges. That is why last night we made a further substantial investment of \$668 million in vocational and further education. That adds to the \$837 million that we announced last November, just six months ago, for the Skills for the Future package. So, in total, in the last six months the government has announced \$1.5 billion for technical and further education.

Last night's announced initiatives were aimed at three things: improving the status, improving the opportunity, and raising the level of vocational and technical education across our workforce. Specifically the measures included, in the trades areas facing a skills shortage, a tax-free \$1,000 wage top-up to every first- and second-year apprentice under 30 years of age. On top of that, every first- and second-year apprentice, without age restriction, will get a fee voucher worth up to \$500 a go towards their TAFE or other training fees. When you put that together with a trade scholarship, each first- and second-year apprentice across the country in areas of trade skill shortage will get a total of \$1,500 a year as a tax-free top-up for their wages and a \$500 contribution towards their

TAFE fees—nearly \$2,000, or up to \$2,000, for every first- and second-year apprentice.

The government also announced the establishment of three more Australian technical colleges, one in southern Brisbane, one in Western Sydney and one in northern Perth. This means that in the five largest cities we will have two technical colleges across the country to combine with the other 18 technical colleges in regional and other cities in Australia. Furthermore, we announced nearly \$60 million to develop fast track apprenticeships. We have extended fee help to full fee paying students pursuing diploma and advanced diploma courses through the VET system and we have provided further assistance for our Indigenous community and for people with disabilities to enter the workforce. So, along with the tax cuts and the childcare and the superannuation initiatives last night, these new measures will further expand our productive capacity at a time when the economy is at full stretch.

Higher Education

Mr STEPHEN SMITH (3.06 pm)—My question is again to the Minister for Education, Science and Training. Isn't it the case that the annual income stream of \$300 million from the Higher Education Endowment Fund for each of Australia's 38 universities would mean that each university would only receive, on average, an annual payment of \$8 million? Given that important teaching and research infrastructure like the medical research centre at the ANU in Canberra cost \$125 million, how can the government claim that this will make up for 10 years of neglect of our universities?

Ms JULIE BISHOP—I thank the member for Perth for his question. He obviously does not understand that the endowment fund is on top of what the Australian government already provides universities for capital works and research facilities. Last

year alone the Australian government provided over \$240 million for capital and \$460 million for research facilities. What the Treasurer announced last night is an endowment fund that will be invested, with the income from that endowment fund being distributed to universities on top of what we already fund. This is an unprecedented level of investment in Australian universities. The Australian Labor Party could only dream of such an initiative.

Climate Change

Mrs VALE (3.07 pm)—My question is addressed to the Minister for the Environment and Water Resources. Would the minister inform the House of the recent budget announcements to boost initiatives on climate change and the environment? Are there any alternative approaches?

Mr TURNBULL—I thank the member for Hughes for her question and acknowledge her very keen interest in environmental and water matters. Last night's budget continues the Howard government's record levels of environment spending. Over the last 11 years the government has invested almost \$20 billion to protect the environment and in the next year we have committed \$4.3 billion in funding to tackle the pressing issues of climate change, water scarcity and natural resource management. At the centre of the budget—the environmental part of the budget—is the \$10 billion National Plan for Water Security.

Water scarcity is a global problem. There are many countries facing water scarcity problems as severe as Australia's. There is no country in the world which has a comprehensive national plan to tackle water scarcity like Australia does. It is thanks to the leadership of the Prime Minister, the leadership of this government, that we have that \$10 billion plan, that we have a coordinated effort that is capable of restoring efficiency to our

irrigation systems, restoring environmental flows. That \$10 billion plan has been welcomed around Australia and admired around the world, but it is still not enjoying the support of the Labor government in Victoria.

At the grassroots level, saving water and setting an example of using water efficiently, is vital. We have committed—

Ms Gillard interjecting—

The SPEAKER—The Deputy Leader of the Opposition is warned!

Mr TURNBULL—\$200 million towards community water grants. These provide the opportunity to save a considerable amount of water, but far more importantly than that—

Ms Gillard interjecting—

The SPEAKER—The deputy leader has been warned.

Mr TURNBULL—they provide the opportunity for schoolchildren and communities to understand how water can be saved and preserved. On climate change, the Australian government, once again, is showing global leadership. In the budget we provide for our global initiative on forests and climate. This is the first substantial national commitment to attack the global problem of deforestation. The opposition like to talk about global warming but they will not recognise that it is a global problem. A tonne of CO₂ that goes into the atmosphere in China does as much damage as a tonne of CO₂ that goes into the atmosphere here. We are tackling that globally with our global initiative on forests and climate.

At home, we are genuinely doubling the solar panel rebate. We all remember that the member for Kingsford Smith said he was doubling the rebate, but he did not know that double meant twice as much. That is sort of important. Two times four equals eight. We have doubled the rebate from \$4 a watt and a

maximum of \$4,000 to \$8 a watt and a maximum of \$8,000.

Ms Gillard interjecting—

The SPEAKER—Order! The minister will resume his seat. I have continually drawn to the attention of the Deputy Leader of the Opposition that she should not be interjecting. She has been warned. She ignores that warning. She will remove herself from the chamber under standing order 94(a).

The member for Lalor then left the chamber.

Mr TURNBULL—The member for Hughes asked me to consider alternative policies. There are no alternative policies on water from the opposition. The \$10 billion national plan had no counterpart in the Labor Party's repertoire. When it was announced the member for Kingsford Smith said—and I was sitting right here, listening to him intently—'It's Labor Party policy.' I could not find it, and neither could he. He had as much difficulty proving that misstatement as he did with the solar panel rebate. The opposition's policy on climate change is a unilateral 60 per cent reduction in emissions in Australia by 2050. It proposes to do that regardless of what the rest of the world does. If the member for Kingsford Smith had read the IPCC report published recently, he would be aware of the lengthy discussion on the problems of one country imposing restrictions and the carbon emissions just leaking over to other countries. There would be no gain to the world. There would be massive economic loss in that country.

Global warming needs a global solution. We are committed to a global solution and we are working towards it. We are not going to devastate the Australian economy in a futile, ideological gesture that is more about gratifying the prejudices of the member for Kingsford Smith and his colleagues than achieving the outcomes the world needs.

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

**QUESTIONS WITHOUT NOTICE:
ADDITIONAL ANSWERS**

Budget 2007-08

Mr COSTELLO (Higgins—Treasurer) (3.13 pm)—Mr Speaker, I seek the indulgence of the chair to add to an answer.

The SPEAKER—The minister may proceed.

Mr COSTELLO—In the course of making a statement about productivity and the importance of AWAs in the mining industry, the Deputy Leader of the Opposition claimed that she had never called Sir Rod Eddington ‘another voice’. She claimed that in parliament. I want to table the *Australian* of Friday, 4 May 2007—

Mr Albanese—Mr Speaker, I raise a point of order. This is an abuse; this is not adding to an answer.

The SPEAKER—The Manager of Opposition Business will resume his seat. The Treasurer has sought indulgence to add to an answer and he has the call. I call the Treasurer.

Mr COSTELLO—which quotes Ms Gillard saying the following:

I am happy to talk to Rod about ... but that would just be another voice in the voices we’ve got in the business community.

The SPEAKER—The Treasurer will resume his seat. The Manager of Opposition Business on another point of order.

Mr Albanese—He is responding to an interjection, Mr Speaker, and it is entirely out of order.

The SPEAKER—The Manager of Opposition Business will resume his seat. The Treasurer has sought to add to an answer. He is in order. I call the Treasurer.

Mr COSTELLO—That is a direct quote of Ms Gillard referring to Sir Rod Eddington as ‘another voice’ from the front page of the *Australian*, 4 May 2007, and I table it.

DOCUMENTS

Mr ABBOTT (Warringah—Leader of the House) (3.15 pm)—Documents are tabled as listed in the schedule circulated to honourable members. Details of the documents will be recorded in the *Votes and Proceedings* and I move:

That the House take note of the following documents:

Employment, Workplace Relations and Workforce Participation—Standing Committee—Report—Shifting gears: Employment in the automotive components manufacturing industry—Government response.

Migration Act 1958—Section 486O—Assessment of detention arrangements—Government response to the Commonwealth Ombudsman’s statements—Personal identifiers 126/07 to 137/07.

Surveillance Devices Act 2004—Commonwealth Ombudsman’s reports on inspection of surveillance device records for the period 1 July to 31 December 2006 (Australian Crime Commission, Australian Federal Police).

Telecommunications (Interception and Access) Act—Report for 2005-06.

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

MATTERS OF PUBLIC IMPORTANCE

Budget 2007-08

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

The inadequacy of the 2007 Budget to secure future economic prosperity by addressing the nation’s long term challenges of flagging productivity growth and dangerous climate change.

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 SWAN (Lilley) (3.16 pm)—It is my privilege to support this matter of public importance on the failure of the 2007 budget to secure future economic prosperity by addressing the nation's long-term challenges of flagging productivity growth and climate change. I want to start by thanking the Treasurer for doing something that Labor has been doing for a very long period. For a long time, Labor has been talking about education and climate change, two issues which go to the very heart of our economic prosperity and our survival as a nation, two issues which are absolutely central to the future of the nation.

Education is central to boosting productivity in Australia, and lifting productivity is the way we can guarantee rising living standards beyond the mining boom. The recent *Intergenerational report* delivered that message as well—that lifting productivity is the key to future wealth creation beyond the mining boom. We all know that two key elements of lifting productivity are education and modern infrastructure. They are absolutely central. They are just as central as climate change, which has to be addressed in an absolutely comprehensive way. If we do not address climate change, future prosperity will be threatened. So thank you, Treasurer, for inserting two words which were not in last year's budget speech—productivity and climate change. Those two words were missing completely—

Mr Downer—Three words: productive, climate, change. You are supposed to be the shadow Treasurer!

Mr SWAN—Two concepts, three words, both concepts missing from last year's budget speech. In fact, climate change has never appeared in any of the Treasurer's 11 budget speeches. We know this government has disinvested in education over 11 years, and that proves that productivity has not been central to the government's agenda during those 11 long years. Labor says it is time our nation started using the budget to invest in the future of the nation, rather than simply using it to buy the government's way back into power. So why are education and climate change now the centrepiece of this year's budget? It is pretty clear: it is politics, clear and simple. We have a stale, reactive, slow-on-the-uptake government which has decided to give itself an extreme makeover. Watching the Treasurer trying to give himself an extreme makeover is extremely humorous. It is not very comfortable. The Treasurer is not comfortable talking about climate change and he most certainly is not comfortable talking about education. He is trying to camouflage the government's complacency on these key issues, which is driving a strong mood for change in the community. The community sees this government as being stuck in the past, complacently relying on the commodity boom rather than putting in place a reform program to lift productivity and to create wealth beyond the mining boom. That is why we say this budget is a re-election budget.

Most certainly it is not a reform budget. It does not take a rocket scientist to see what has been happening here. Kevin Rudd has offered a vision for the future, a package of reforms that will prepare our economy for the future challenges we will face. This vision is striking a chord with the Australian community after 11 years of a government that is simply stuck in the past.

Mr Costello thinks he is a very clever boy. He knows that Labor's vision for the future

is striking a chord so he is scrambling to reinvent himself before this year's election. All of a sudden, the language Labor have been using constantly appears in the Treasurer's words. His budget is about securing the future. Who has been talking about that? His budget contains huge reforms. Who has been talking about this? When Labor announced our education revolution, it struck a chord, and next thing we have the Prime Minister calling for an education revolution. Why? Because this government has been threatened electorally. It has not moved because there is a fundamental problem in our economy; it has moved because the election is around the corner and there is a very strong mood for change in the Australian community.

We need reform. Despite rivers of gold flowing from the mining boom in recent years, this government has not been investing in the nation's capacity. Economic reform and productivity growth have faltered on this Treasurer's watch. Productivity growth has fallen from 3.2 per cent to 2.2 per cent in the latest productivity cycle. It has fallen even lower since then.

This slowdown has seen us slip further behind the productivity leaders in an increasingly competitive global environment. In comparative terms, we have now almost completely lost the productivity gains associated with the economic reforms implemented over the 1980s and 1990s. Of course, as we demonstrated in question time, the budget papers reveal that our flagging productivity growth is not expected to improve anytime soon. In fact, the forecasts on page 1-5 of Budget Paper No. 1 reveal zero productivity growth in 2006-07 and declining productivity growth at the end of the next financial year.

If this is a budget that is about the future, that is designed to lift the productive capacity of the economy, why does the budget

forecast declining productivity growth? Why does it forecast that? In fact, in the *Intergenerational report* released last month, the government revised down its projection of productivity growth over this decade from 1.7 per cent to just 1.5 per cent. This is less than half the rate of productivity growth achieved over the 1990s. So this government has a poor record.

We as a nation need to urgently turn around our flagging productivity growth if we are to build prosperity for the future and to build it beyond the mining boom, which is why this country urgently needs an education revolution. We welcome the education initiatives in this budget; they are a useful contribution after 11 years of disinvestment. But with the best global conditions in over 30 years, and the windfall from the mining boom, the government should have already built a world-class education system. However, they have not been doing that.

These budget papers show that expenditure as a percentage of GDP has fallen. Treasurer, no matter how much you try to drag a dead cat across the figures you presented in question time, it has fallen. It has fallen over 11 years. Even with the new spending in this budget, education spending will fall as a proportion of the total budget over the forward estimates. That was demonstrated comprehensively during question time in the questioning of the Prime Minister by the Leader of the Opposition. We are slipping behind our competitors. Overall, Australia's investment in education as a proportion of GDP ranks behind 17 other OECD economies, including Poland, Hungary and New Zealand.

So whilst these budget measures are welcome, while they are useful, they are a long way from the education revolution needed to secure our future. Just consider this comparison: this budget commits \$3.5 billion to its

education and skills package over four years. That is roughly the same amount committed in one-off pre-election payments to go out in the next eight weeks.

Mr Costello—Are you against them?

Mr SWAN—We are absolutely for them, Treasurer. Most notably, the budget fails to invest in high-quality universal preschool education for all four-year-olds, to give them the best start possible. As we know, Labor is committed to a \$450 million package to provide play based learning for all four-year-olds. Labor has also committed up to \$200 million for 260 new childcare centres on school sites.

We welcome the measures on apprentices, but there is nothing in this package which shows that the government comprehends the magnitude of the challenge before us and the nature of the education revolution we require if we are to deal with declining productivity.

The government has established its Higher Education Endowment Fund. That is a welcome initiative because the government has neglected this area for too long, but its way of paying for it is interesting. Its way of paying for it undermines the government's case against Labor's national plan for high-speed broadband. The government is proposing to pay for this measure by taking part of the surplus that would otherwise have gone to the Future Fund. And, just as the education endowment is an investment, so is Labor's high-speed broadband initiative. The Treasurer simply can't have it both ways.

That brings us to broadband. We saw in the parliament during question time that the Prime Minister simply does not get broadband. He does not comprehend how important broadband is for lifting productivity in this economy and that this country urgently needs a solution so that we can get high-speed broadband to all Australians. Its im-

portance to business and to families is simply not comprehended by this Prime Minister.

That brings us to tax cuts, because the tax cuts in this budget are welcome. They do start to tackle some of the worst disincentives to workforce participation. As the Treasurer will well recall, it has been Labor in this House that has been making the case constantly for taxation reform to ease the high effective marginal tax rates which have been hitting second-income earners, who are predominantly women. All of a sudden, there is another conversion from the Treasurer. He has discovered part-time workers, he has finally discovered they are women and he has finally discovered that they, too, deserve an incentive, like everybody else in the tax system. Of course, that has taken 11 years. But we certainly welcome these tax cuts, and we also welcome the fact that they are staged, because to stage them will minimise the risk of inflationary pressures. But these tax cuts do not even hand back all the additional tax that the government is collecting as a consequence of the mining boom. Despite the tax cuts, the government will still collect more than \$10 billion more in income taxes, excluding company taxes, from 2007-08 to 2009-10 than originally anticipated before the budget.

This is a high-taxing, high-spending government. What is important here is a stable macroeconomic environment. Labor is committed to disciplined fiscal policy. We are committed to running budget surpluses over the medium term, to not increasing tax as a proportion of GDP and to meeting our commitments by reprioritising spending in the budget and cutting out waste.

That brings us to climate change, because there is not a comprehensive program that this country needs being put in place to combat climate change. We know that the Treasurer is a well-known climate change sceptic.

We know the record of the Prime Minister; we know the record of the industry minister. We know the view of the Treasury—that the government does not get it when it comes to combating climate change and dealing with problems in water. The government simply does not get this, and we know that from the speech given by Treasury Secretary Ken Henry over a month ago. He blew the whistle on the Treasurer, he blew the whistle on the Prime Minister and he blew the whistle on the cabinet about their inattention to climate change and water problems and their central importance to wealth creation in this community. That whistle was well and truly blown by the government's chief economic adviser, who pinged them for what they are—completely irresponsible when it comes to dealing with one of the most serious issues which goes to the heart of future economic prosperity, job creation and environmental sustainability.

That is why we do not have an emissions trading scheme. That is why we do not have a serious response to renewable energy. That is why we do not have a serious response to demand management. All of these things are missing, but no doubt they will come—and why? Because Labor under Kevin Rudd and Peter Garrett, and also the member for Grayndler, have been putting out comprehensive plans to combat dangerous climate change. We have left the government for dead and they are so embarrassed that they are going to be forced to follow in the months ahead. It will be really exciting to watch the backflips and the U-turns and so on.

That brings us finally to where this economy should be going. The Treasurer would have us all believe that the economic reform process starts and ends with him. The reality is that much of our current wealth owes a lot to the reforms implemented by the Hawke and Keating governments. I would like to

quote an eminent authority on this: the Secretary of the Treasury—the government's pre-eminent economic adviser. This is what he had to say:

That macro performance owes much to decades of reform that have improved monetary, fiscal and structural policy frameworks.

... ..

Much of our recent macroeconomic and fiscal success is based on past reforms, assisted by the terms of trade. A significant proportion of the latter may be transitory.

The Secretary of the Treasury is warning all Australians that the government is not prepared for the future beyond the mining boom and has not put in place the essential reforms required to lift productivity and create wealth beyond the mining boom. That is the warning from the Secretary of the Treasury; it is a damning indictment of the performance of this Treasurer and the performance of the Howard government. During this time, a time of plenty, it has been raining gold bars. There have been substantial increases in national income. Why haven't we taken the opportunity to create a First-World, first-class education and training system so we can compete in our region and become even more prosperous and wealthy? Why has the government not done that? Because it has been complacent, tired and stuck in the past. (*Time expired*)

Mr COSTELLO (Higgins—Treasurer) (3.31 pm)—Members will recall a former National Secretary of the ALP, Gary Gray, complaining that Labor was increasingly relying on what he called 'white-bread politicians' who were coming into parliament—people who had no real experience outside of politics and were bland and insubstantial. That criticism that Gary Gray made, without naming whom he had in mind, was made in relation to Mr Swan, the member for Lilley, and Mr Smith, the member for Perth—two people who came into this parliament out of

the ALP machine and had experience in focus groups and polling but never really had any great interest in policy or, indeed, what makes economic policy work.

If you wanted a demonstration of that criticism that Gary Gray made of the member for Lilley, you would have seen it in the speech that he just made—completely insubstantial, offering nothing except rhetorical lines, the kind of rhetorical lines that he would have got a focus group to put together and then retailed around to the Labor Party as lines to use in relation to the budget. The focus group that he obviously got together was the source of this media release, which just about says it all in terms of the depth of thinking of the member for Lilley. I guess just about every word that he used in that speech came from this press release in one form or another. The press release itself came from the focus group, and it illustrates really how insubstantial Labor has now become in relation to economic policy.

Normally in a budget reply a shadow Treasurer would stand up and say: 'These will be the macro effects of what you did and this is why they are wrong. Maybe the budget surplus, instead of being one per cent of GDP, should have been 0.1 per cent of GDP or maybe it should have been two per cent. This is what we think about the economic forecast. Your economic forecast for growth of 3¾ per cent is wrong because we think household consumption will not be as strong as you are saying, or we think that net exports will detract from growth to a larger degree. Here's what we think about your inflation forecast. We think that, given pressure arising out of the drought or given pressure arising from international oil prices—because we do not agree with those assumptions—your inflation target will be wrong. Here's what we would have done on tax cuts. We believe that you have cut tax too far down the scale or too far up the scale or you

haven't cut it enough. You should have changed the mix to move tax cuts off income tax and maybe put them on business tax. Here's what we think you should have had your investment in. We don't think an endowment fund is the right way to go because it is a capital fund. We would have gone with recurrent funding; we would have gone for the current amount. Mr Speaker, here's what an alternative government would do.'

But you will never hear that from the member for Lilley. You will never hear it because I do not think he has ever really understood the nature of economic policy in Australia and he certainly has not done the work. To him it is a question of getting a focus group, running a line and moving on before anybody actually scratches for things that are substantive underneath. He is somebody who is quite voluble, but there is never any substance behind it. There was never actually any substance in his reply. In all of the budget replies I have heard from five shadow treasurers now, that would be the weakest without question. We had Gareth Evans, Simon Crean, Bob McMullan and Mark Latham, but I do not think I have heard a weaker budget reply than the one we have just heard. I think we can deal with it pretty quickly.

He welcomed the Higher Education Endowment Fund, he welcomed the tax cuts and the fact that they were staged and he welcomed the apprenticeships. He welcomed those measures that are going to be done before 30 June, so everything that was done was right. I do not think there was anything that the government did that he said was wrong, but I think the essence of it was that we should have spent more in every area of the budget and ended up with a bigger surplus. I think that was the outcome: 'You should have cut tax, spent more in every area of the budget and ended up with a bigger surplus.' Why didn't I think of that for a pro-

posals? We should have spent more on education, we should have spent more on skills, we should have spent more on climate change, we should have spent more on the environment, we should have cut tax and we should have had more left over.

That is the kind of thing that you would try and get away with at an ALP branch meeting as a machine man, but every now and then you are confronted with facts. The fact of the matter is that, when you are managing a \$240 billion budget, there are more demands than can possibly be funded. Sometimes you have to be able to say no. Managing a federal budget requires a bit of strength; you have to be able to say no and sometimes you have to be able to say no to a minister. Sometimes you have to be able to say no to a whole government. Sometimes you have to make very hard choices if you want to get a particular outcome, and when you want to get that particular outcome it is not enough to convene a focus group and ask for a slick line or an insubstantial criticism. It actually takes hard assessment and hard work.

The place where Australia is now did not just drop out of the sky. It was not as if a cloud was suddenly unleashed on Australia or, as he said, 'Oh, gold bars just started raining on Australia.' If the member for Lilley thinks that about economic management, it illustrates how ill equipped he is for the great role of being in government. If he believes—and I do not think he believes it for a moment—that you balance a budget, reform a tax system, improve industrial relations, pay off \$96 billion worth of debt or set up a Future Fund and it is all just some kind of fluke then he is less prepared for government than I suspect many of us, even in our worst nightmares, thought would have been the case.

One of the things that the member for Lilley said in his speech is that of course Labor is committed to budget surpluses. Why would he say that? The focus groups would have said, 'You've got to show that you're committed to balanced budgets.' It is easily said. Anybody can say that, but I would ask him this question: as an adviser to the Labor Party and a Labor Party staffer in all those years when Labor were in government between 1990 and 1996 when they ran consecutive budget deficits, if he was so committed to surpluses why weren't there any? I think it is a fair question: why weren't there any?

For the sake of the record I think we ought not to actually listen to the words, we ought to listen to the deeds, because in 1990-91 the federal government deficit was 2.8 per cent of GDP. In 1991-92, it was 3.9 per cent; in 1992-93, 3.7 per cent; in 1993-94, 2.7 per cent; in 1994-95, 1.9 per cent; and in 1995-96, one per cent. So that is six straight deficits, the highest of which was four per cent of GDP. If we had had a deficit of four per cent of GDP in the budget I brought down last night it would have been \$40 billion. We had a budget surplus of \$10 billion. If we had had a budget deficit of four per cent of GDP, it would have been a \$50 billion turnaround, a \$40 billion deficit.

But, in the mind of the member for Lilley, what you actually do in government is not the important thing; what is important is what the focus groups demand that you do, and you reassure them without actually getting into the substantive policy debate. I guess the illustration that brought this home to me more than any other was when this government increased family benefits with an annual \$600 payment and announced that we would pay a \$600 lump sum in respect of each child where the family was entitled to family tax benefit. The member for Lilley decided that that payment should be abol-

ished. His leader, Mark Latham, said to him, 'How do we explain that we're taking \$600 a year away from families?' The member for Lilley said: 'Tell them it's not real. Tell them they never had a \$600 payment, so when you take it away they won't notice it.' This is of course what you would learn as a machine politician. When you are on weak ground, claim that black is white, repeat it often enough and you will get people to believe it. You could not fool the Australian public; they knew they were getting \$600 as I said—it went into their bank accounts. It could be spent, it could be drawn out, it could be exchanged for milk and bread, and the line that it was not real did not gel with reality. Of course it turned into a disaster during the 2004 election.

I want to say something briefly about productivity because I was saying this in the course of question time today. What would you be doing if you wanted to boost productivity in Australia? I think investing in schools will boost productivity in the longer term because, if you invest in skills and you train more apprentices, you get more people into the labour force with higher skills. Over the course of time, you would expect that to lift capacity. Of course, you have to bear in mind that an apprentice will take four years to train and the apprentice then has to go into the workforce. I think we have something like 160,000 apprenticeships at the moment, which is some kind of record in Australia, and that will give you benefits in the long term; there is no doubt about that.

But, if you really want to unlock key productivity benefits, you should do it in relation to the existing workforce—not just the future workforce, not just in five or 10 years time, but the existing workforce. I have no doubt that if you improve industrial relations, if you allow employers and employees to directly agree on AWAs, that will be a much more productive industrial relations system

in each and every factory, shop, business and company in Australia. But, of course, the Labor Party are against that. If you do not want to take my word for it, you could take the word of the former Governor of the Reserve Bank, Ian Macfarlane. In his testimony before the House of Representatives shortly before he ceased being governor, he said:

The biggest thing in this area—
productivity—

is industrial relations reform. There must be a lot of things that still can be done.

What did the Reserve Bank Governor say? The biggest area is industrial relations reform. What is the major plank of Labor's industrial relations policy? To get rid of AWAs. So the Labor Party would have you believe, on one hand, that they are critical of the government about productivity and, on the other hand, that they want to abolish the key thing that can drive it. So how would you reconcile those two positions—that you allegedly want to increase productivity and, at the same time, abolish the key thing that would drive it? You do precisely what you did in relation to the \$600 payment. You deny the obvious and you repeat over and over again that it is not real, that it does not occur, that it does not happen. Australia needs more than focus-group-driven glib clichés. What we need is real policy. What the government delivered last night was real policy. It is the biggest investment that Australia has ever had. We are going to lock in the gains. We are going to invest for the future. This is the economic path forward and the coalition will lead it. (*Time expired*)

Mr TANNER (Melbourne) (3.46 pm)—Seven weeks ago the Treasurer stood up at the dispatch box and suddenly became hysterical. He screamed, he shouted, he went red in the face, he frothed at the mouth, he cursed, he ranted like an old preacher at an AA meeting. We were almost expecting a

round of 'Away, away with rum by gum.' You could say that he does this often, but this was a particularly spectacular performance—and, by the sound of his rather ponderous and soporific contribution today, he is probably still recovering. Why was it that he became so hysterical? What was the cause of this outburst of red-facedness, hysteria and ranting? The answer is: Labor's broadband proposal.

This proposal includes drawing on \$2.7 billion of Telstra shares, one telecommunications asset held by the government in escrow in the Future Fund, in order to invest in creating the national broadband network that this nation desperately needs and the Howard government has totally failed to deliver. The Treasurer described this as shameful economic vandalism, robbery and burglary. He said it was the most economically irresponsible thing that Labor has said in 11 years. Fortunately the commentators dismissed this hysteria as total rubbish and last night, in effect, the Treasurer and the government completely surrendered. They vacated the field on this assertion that Labor's broadband proposal is economically irresponsible. Why? Because they have effectively done the same thing that Labor was proposing to do with respect to prospective future investments. But they have doubled it. They have taken what would otherwise have been Future Fund assets of \$5 billion plus the earnings that would accrue from that between now and the end of next year, which effectively adds up to double what Labor's commitment involved. But in true hypocritical preacher style the Treasurer is still trying to pretend he is pure. So in the budget speech, the same speech where he announced this \$5 billion drawdown on the Future Fund, he also said, 'But we won't be like those irresponsible Labor people who propose to draw down \$2.7 billion.' Let us run through the

quote to make it clear exactly what we are dealing with. He said:

If you rob capital or earnings from the Future Fund, taxpayers will have to make up the difference. You are passing our bills, our obligations, from our generation to the next. This will limit their future. We will strongly oppose any irresponsible attempt to raid this national investment for cheap political advantage.

Six weeks ago, in the *Australian Financial Review*, the Minister for Finance and Administration said:

Certainly this year's surplus and next year's surplus will be going into the Future Fund.

So where did this \$5 billion for the Higher Education Endowment Fund come from? It came from this year's surplus—the same surplus that, according to Senator Minchin, was destined for the Future Fund. Whichever way you look at it, however you play with words—as he sought to do in his press release defending himself this afternoon—that \$5 billion was halfway out the door, heading towards the Future Fund. He grabbed it and said: 'We're going to have a Higher Education Endowment Fund. This isn't going into the Future Fund.' So the preacher has gone out and got legless. He is wandering around looking for some alcoholics to convert and lecture about the virtues of abstinence. Labor supports the Higher Education Endowment Fund. It is a reasonable idea. But we should not get carried away with it, as the Prime Minister and Treasurer have done, because it is only going to deliver approximately \$300 million of, one would hope, new money to the higher education sector each year. A lot more needs to be done, but that is not a bad start.

But the one thing we can take out of this is that the debate about Labor's broadband proposal is over. Not only is the proposal good in the national interest from the point of view of getting that broadband network built; it is entirely responsible financially. But yet again

there is virtually nothing in this budget to tackle that chronic productivity problem of our falling behind the rest of the developed world in access to high-speed broadband. The government have now conceded not only that Labor's proposition is good and sound from a communications point of view and a productivity point of view but also that the financing proposal is entirely reasonable—because they are doing exactly the same thing with respect to the headline announcement in this year's budget.

In a sense that encapsulates the entire budget, a budget built on preaching abstinence and practising incontinence; that is the entire budget of 2007. Yes, there are many initiatives that we support, such as the Higher Education Endowment Fund. Some of them we designed, so why wouldn't we support them? But the wider picture is different. The wider picture is of a government that is complacently cruising on the minerals boom, handing out money every way it can to try to ensure its re-election while not investing for the future of Australia and for the future living standards of our kids and not investing for increasing productivity to ensure that we stay at the forefront of the world's nations. When the sun is shining you make hay. That is not what this government is doing and that is not what the budget is doing; it fails the future test.

We welcome the education initiatives that are in the budget, but they are, in overall terms, relatively modest—a good first step. They are good snapshots but they are a long way from being the whole picture. And the government could not help themselves: they had to whack in a little sting in the tail on HECS; they had to slug students on the way through. They had to revert to type and hit accounting, business and commerce students with a big HECS slug, because they could not help themselves. Even though they are trying desperately to look like they care

about education—they want to improve investment in education because Kevin Rudd has put the issue squarely at the forefront of the national agenda—on the way through they could not help themselves: they had to slug students.

We need to examine what has not been tackled in this budget. We need to look at what has not actually occurred. There is very little on vocational education in the middle of a skills crisis. There are a few modest initiatives with respect to climate change, the most striking of which is about adapting to climate change, getting used to it—not doing something about it, not acting, not leading the world as Australia should be doing, not contributing to a global solution. Early childhood education is critical to the future opportunities of all children but there is effectively nothing. And, as I said, there is nothing on broadband.

Then, if you look at the wider estimates, the wider projections as to where the nation's economy is heading, you see productivity effectively at zero and very ordinary productivity figures projected for the future. As to export growth, they have finally given up on all of the outrageous, exaggerated export projections that they have put over the past few years when they have kept saying we are going to get eight per cent or nine per cent growth but it turns out to be two per cent. They are backing that down to five. That makes you really worry about what the outcome and the reality will ultimately be in the next few years if they are pulling their projections down like that, particularly when the projections indicate that the current account deficit is expected to blow out to six per cent again.

Unemployment is expected to rise; job creation is expected to fall. It is also important to look at the wider macrofiscal position to lay to rest once and for all the suggestion

that this is a fiscally conservative, 'small government' focused, economic-managing government. Fifty-three billion dollars in additional money has rained down on the government since December. The estimates for the four years have \$53 billion more than what was available in the equivalent estimates in December. They have spent the lot. They have used the lot, some on tax cuts and an awful lot on spending, and they have managed to throw in an additional \$4-odd billion of spending at the end of this financial year, the one that is about to close, not to mention the \$5 billion that has been put in there for the Higher Education Endowment Fund. We are getting to the point where we are going to see more new spending initiatives at the end of a budget than we see at the start. In the financial year that is about to end, the new spending initiatives that were announced in the 2006 budget for the 2006-07 year were worth about \$4 billion. The new spending initiatives for the 2006-07 financial year announced in the 2007 budget are also about \$4 billion, even if you exclude the one-off capital investment in the higher education fund. This is a very peculiar approach to accounting.

There has been virtually no serious effort to gain savings, to cut expenditure and to ensure that we have rigorous controls on government spending. A lot more money has been handed out to departments such as Treasury and Finance without even any process attached to them as to what they are supposed to be for. The Melbourne Cricket Club has got another \$10 million to add to the \$15 million it got last year for its museum, and so the list goes on.

The drunken preacher is having a wild time. He is handing out free advice on abstinence in between swigs of his flagon. He is passing the flagon around and he is having a great time because he has a lot to drink. The worry is, though, that it will be our kids who

get the hangover, because when this nation was in a position of enormous good fortune—of great fortune with huge revenues coming in to the government from the mining boom—what did the government do? They squandered it and they are continuing to squander it. Don't be fooled by the fact that they are trying to look as if they are doing something, because this budget fails the future test. (*Time expired*)

Mr CIOBO (Moncrieff) (3.57 pm)—I am pleased to rise on this matter of public importance—

The DEPUTY SPEAKER (Mr Jenkins)—Member for Moncrieff, is your microphone on?

Mr Murphy—We're not missing anything!

The DEPUTY SPEAKER—Order! The member for Lowe is not helping. The Deputy Clerk will start the clock again. I will call the member for Moncrieff now that we have sorted that out.

Mr CIOBO—Mr Deputy Speaker, we have worked out what the problem is: the member for Melbourne actually put the microphone operator to sleep. That is a new record. In the six years that I have been in the parliament I have never actually seen a member of the opposition put a console operator to sleep. Congratulations to the member for Melbourne! It is a new record to the member for Melbourne: not only was he so boring and his speech so devoid of any fact but he actually managed to give it in such a monotonous way that he sent one of the console operators to sleep. My heart is with the console operator. But for the fact that I am paid to sit in this chamber and have to pay attention, I would have liked to have fallen asleep as well, although I would have had some sort of recurring nightmare as I heard the member for Melbourne drone on and on and on.

Notwithstanding that, I am very pleased to stand up to speak on the MPI that is before the chamber today. I was fascinated by one small part of what the member for Melbourne had to say in the topsy-turvy Tanner approach to economics. We have got the member for Melbourne coming to the dispatch box saying, 'You know what: Labor and the coalition are as one when it comes to the Future Fund and investment in broadband.' What we know from topsy-turvy Tanner economics is that they say it is okay to have money in the Future Fund and to take that money from the Future Fund and go off and spend it, because that is the same thing as having money in the Future Fund and then establishing an additional endowment fund. In other words, what are we actually talking about?

The member for Melbourne is saying that, if you have \$100 in a savings account and you take out \$50 and go and spend it, it is the same principle that members of the coalition have put forward. What are the coalition doing? They have put \$100 in a savings account and are now opening a second savings account and putting in an additional \$50. According to the Australian Labor Party, to have \$100 in one savings account and \$50 in a second savings account is apparently the same as having \$100 in an account, withdrawing \$50 and spending it. That is what the member for Melbourne said to the chamber this afternoon, and it is for that very reason that the Australian Labor Party is absolutely laughable when it comes to having the discipline or economic sense to manage the Australian economy.

The Treasurer said today that you cannot trust Labor when it comes to managing Australia's trillion dollar economy because it is just too important. We know that the members for Lilley and Melbourne have both clearly demonstrated that, when it comes to having discipline, to rolling up the sleeves, to

getting up early and doing the work required to manage Australia's trillion dollar economy, the Labor Party just do not have it. If you want proof positive, the Labor Party would ruin the Australian economy with not only their talk of \$600 'not being real money' but also their comment that having one savings account and starting a second savings account is the same as taking money out of a savings account. It beggars belief. We hear from the Australian Labor Party that it is the same thing; it is not even remotely similar!

The Australian Labor Party's proposition on broadband—and we heard much talk about broadband from both the member for Lilley and the member for Melbourne—is very clear, and it is nothing like what this government is doing with the endowment fund. The Australian Labor Party's approach to the Future Fund is to say, 'We will extract money from the Future Fund and spend it.' Their initial approach was that \$2.7 billion was going to be used on broadband rollout—which, incidentally, the Australian Labor Party were going to steal from the Future Fund. That \$2.7 billion smash and grab was going to be used to invest in a network that two private operators in Australia are looking at rolling out themselves. Not only have we got the Australian Labor Party smashing and grabbing from the future savings of Australian generations; we have them investing that money in a broadband network that two private operators are lining up to roll out today. That is the Australian Labor Party's approach.

This government has turned around and said, 'We quarantined the money in the Future Fund.' We do not want the burden of retirees in the future—service men and women from Australia's defence forces, and public servants. We are building up retirement savings for them in the Future Fund. We do not want future generations of Austra-

lians to have to shoulder that burden, so we will start making provision today. The Future Fund is a savings account that we have opened today to provide for all of our tomorrows, and we have done it again with the endowment fund.

The \$5 billion visionary endowment fund that the Treasurer announced last night will ensure that, in perpetuity, Australian universities have access to capital to ensure that Australia can have world-class and first-class research institutions and teaching facilities and a whole spate of new initiatives available to our tertiary education sector. We can have world-class facilities that will ensure that Australian kids in the future can be not only among the best in our region but among the best in the world, with access to the very best technology and the very best teaching facilities at our universities. That is what this government has set up under the \$5 billion endowment fund.

What is the Labor Party's response to that? They say that they support it, but in fact they would approach it by stealing more money out of the Future Fund. The Labor Party's approach is not to create additional savings but to spend even more money. We know that the Australian Labor Party's approach to the budget is really distilled down to a couple of basic elements. Their criticism has been that we have not spent enough as a government, so they say, 'Spend more money.' The other criticisms that have come from the Australian Labor Party are that the surplus was not big enough and that we should have saved more money. Spend more money; save more money—that is all we hear from the Australian Labor Party.

When we get to the issue of our environment, it is important to recognise that this coalition government is proposing to spend \$19 billion on Australia's environment over the next four years—\$19 billion of invest-

ment in Australia's environment and those of our surrounding neighbours. A key plank of this government's approach to combating the effect of climate change is to look at some of the source problems affecting climate change. We know that one of the key issues is deforestation that is taking place around the world. I am proud to be a part of a government that is working with poorer nations around the world and with some of our near neighbours to put in place incentives to try to stop them from cutting down trees—a very good initiative. It is the kind of initiative that will have a long-term benefit for our nation. It is a world-leading initiative that the member for Melbourne was talking about earlier. This country is leading and setting an example for the world. We are doing it by focusing not only within Australia but also on our near neighbours, and saying to them, 'We will work with you. We will create an incentive so that we do not end up with vast hectares of deforested land because you have people in your countries who are chopping down trees faster than we can plant them here.' That is the kind of world leadership that I am pleased to be part of.

One of the single biggest, most glaring errors that we have seen from the Australian Labor Party is their standing up and saying it has been raining gold bullion for this Howard government. We hear the Australian Labor Party say, 'It's all just a coincidence; it's all just a fluke.' The reality is that the Australian Labor Party have stood opposed to every major reform measure that this government has tried to introduce since 1996. The Australian Labor Party stood opposed to tax reform. The Australian Labor Party stood opposed to waterfront reform. The Australian Labor Party stood opposed to the tax reform that took place under the GST. The Australian Labor Party even opposed tax cuts for Australians in the previous budget. That is the Australian Labor Party's record. When it

came to industrial relations reform—for example, unfair dismissal laws—the Australian Labor Party opposed that as well, and they are opposing Work Choices now. On every single front, the Australian Labor Party have stood opposed to the initiatives this government has undertaken, the kinds of initiatives that have delivered in spades to the Australian people—that have kept our budget in the black, got unemployment down to a 30-year record low and delivered the dividend that the Australian people enjoyed last night in the Treasurer's speech.

Mr BOWEN (Prospect) (4.07 pm)—Last week Australia had a very eminent visitor, a respected commentator on globalisation, the author of one of the world's best-selling books in recent times—Thomas Friedman, the author of the book *The World is Flat*. He met with the Prime Minister, he met with the Leader of the Opposition and he addressed a big dinner in Sydney—

Mr Hockey interjecting—

Mr BOWEN—The minister was at the dinner and they may have met individually.

Mr Hockey interjecting—

Mr BOWEN—They met individually; I am glad to hear it. The minister and several other ministers were at the dinner, as were shadow ministers, and we heard about Mr Friedman's views on what makes a successful nation in this difficult time around the world. An interesting quote has been brought to my attention. Thomas Friedman says this:

Money, jobs, and opportunity in the flat world will go to the countries with the best infrastructure, the best education system that produces the most educated work force, the most investor-friendly laws, and the best environment.

Last night's budget fails the Thomas Friedman test because it fails the future test—

Mr Hockey interjecting—

Mr BOWEN—and the minister knows it. The minister knows that last night was another squandered opportunity from a government which is riding the mining boom, taking the Chinese dividend, and refusing to invest and prepare Australia for the downturn which will inevitably come in this nation. It is a government which is ignoring the productivity gap which has not only existed but has been rising under this government for several years; a government which ignores—and has ignored for 11 years—the need for a massive reinvestment in Australia's education system. At five minutes to midnight, five months before an election, they suddenly rediscover the need to invest in education. Well, it is not enough.

It is not enough to catch up. Australia has to do better than that. A catch-up is welcome—we welcome some of the funds going to education in last night's budget—but a catch-up is not enough. And the Australian people will not be fooled by a cynical and cunning budget at five minutes to midnight which finally recognises the need to invest in education. It does not go far enough—on any measure.

I was in the budget lockup yesterday and I thought, 'I'll look up the early childhood measures; I'll find out how much new money is going into early childhood.' And I looked and I looked and I looked through the budget papers, locked away in the room—not one. Every respected economic commentator in the world says that one of the best ways to invest in a nation's future is to invest early—to invest in early childhood education; to take people in their first two or three years and give them the best possible start in life. That is why Labor has committed to a multimillion-dollar early childhood investment plan. Yet there was not one word on that in the budget. I thought, 'Maybe the government will try to catch up; maybe they will respond,' but there was not one word on that.

Australia's overall investment in education is 5.8 per cent of GDP—behind 17 other OECD nations. That is not changed by this budget. We are behind Hungary—still behind them. We are behind Poland. We are still behind New Zealand. We are still behind 17 other OECD nations when it comes to investment in education. As the honourable member for Perth pointed out in question time, we welcome the \$5 billion Higher Education Endowment Fund. That means an average allocation between Australia's 38 higher education institutions of about \$8 million. Now, that is welcome. But let us not kid ourselves that that is enough. Let us not kid ourselves that that is going to make up for the backlog of investment in capital infrastructure in universities in this nation. The government are kidding themselves that it is enough, but it simply is not.

I looked through the budget papers for higher investment in broadband funding. I looked and I looked and I looked—not one word; not one cent. And then, in question time, I realised why: it is because the government just does not get it. We got up here and we pointed out the connection between education and broadband. We pointed out that children in regional areas need access to high-speed broadband to help them with their education—and there was laughter from the other side; guffaws of laughter at the connection being made by this side of the House between education and broadband. They just do not get it.

The honourable member for Moncrieff called Labor's plan to invest in a broadband network for this nation 'theft'. He used all sorts of other pejoratives to describe Labor's plans. He does not get it. And nobody on the other side of the House seems to get the connection between the need to connect 98 per cent of the Australian people to broadband, the need to increase broadband speeds by 40 times, and the impact that will have on Aus-

tralia's education outcomes. But we get it. (*Time expired*)

Mr HARTSUYKER (Cowper) (4.13 pm)—I certainly disagree most strongly with the proposition put by the member for Prospect that the budget fails what he calls 'the Friedman test' in preparing this country for the future, because nothing could be further from the truth. We have heard nothing from the opposition—up until recently—other than hot air and rhetoric.

An unusual thing happened at the ALP conference. We saw a couple of things starting to occur. We saw the Leader of the Opposition make it pretty clear that he takes the vote of the Australian people for granted. We also saw the Leader of the Opposition cast doubt on the ability of someone of a particular chronological age to function at a high level in this community. If you went to a focus group and asked them the question: 'If someone is a certain age, does that mean they cannot run a country or they cannot run a major corporation?' they would tell you very strongly that they certainly can. And there is very strong objection to that notion put by the Leader of the Opposition that if you grew up in the era of black-and-white television you are somehow less worthy to hold high office than if you were a child of the era of colour television.

We also saw at the ALP conference a shift from hot air and rhetoric to their first piece of black-letter policy. We saw them move away from the rivers of milk and honey and the endless discussion of warmth and light to put out a policy. What was it? An industrial relations policy. Was it going to build productivity? I think not. Was it going to take this country forward? I think not. The first piece of black-letter policy that they brought out did not take this country forward but, in fact, took it back some 20 years. We got to the point where Labor were going to produce

this piece of policy that would bring us back to the great old days of centralised wage fixing. They were going to make reforms they were going to turn back AWAs. We know—and I see the Minister for Employment and Workplace Relations at the table, and he certainly knows—that AWAs provide more flexibility for employers to come up with arrangements with their employees to maximise the production and productivity of this country. And to take away a major element of the growth of this nation, through taking away AWAs, can hardly be setting up this country for growth and taking this country forward.

We saw the folly in Labor's first venture into policy when they had to review their own policy some five times within 10 days. The Deputy Leader of the Opposition must be embarrassed by what is considered by most commentators as an absolutely woeful foray into detailed policy. The government believes that greater flexibility is greater productivity, but Labor want to introduce union rule by good old team ACTU, that great bastion of flexibility. If you want to look at productivity you have to look no further than the commercial building industry, where we hear of reductions in cost in commercial building of some 20 to 30 per cent through fewer industrial disputes, through less intimidation and thuggery on work sites and through improved work practices.

What is Labor's response to this improved flexibility, improved productivity and reduced cost on commercial building sites? They want to abolish the Australian Building and Construction Commission. They want to go back to good old team ACTU. Bring back union thuggery, revitalise union power: 'We want to have the crane drivers running the construction sites again, deciding what goes up the building and what comes down. We want to have the crane drivers holding up the job, costing tens of thousands of dollars in

prolongation costs.' That is the response of the Labor Party to improved productivity that has been brought about by these sorts of changes. It is the peak of hypocrisy for Labor to talk of productivity growth, when the first policy that they bring out takes this country back 20 years.

This budget has introduced a range of measures that will drive this country forward. This government is very much on the leading edge of improved productivity. You are a very backward-looking opposition. You have no real solutions, apart from hot air and rhetoric. We have seen you on climate change. It is all warm and fuzzy, but there is nothing beneath that never-ending rhetoric that you put out. This government is taking this country forward in an economically responsible way and the people of Australia see through your—

The DEPUTY SPEAKER (Mr Jenkins)—Order! The time allotted for this discussion has concluded.

BUSINESS

Mr HOCKEY (North Sydney—Minister for Employment and Workplace Relations and Minister Assisting the Prime Minister for the Public Service) (4.18 pm)—On behalf of the Leader of the House, Mr Abbott, I move:

That standing order 31 (automatic adjournment of the House) be suspended for the sitting on Thursday, 10 May 2007 and at that sitting, after the Leader of the Opposition completes his reply to the Budget speech, the House automatically stand adjourned until 12.30 p.m. on Monday, 21 May 2007 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.

STANDING ORDERS

The DEPUTY SPEAKER (Mr Jenkins)—In calling the next order of the day, I wish to indicate that there was a minor proc-

essing error in the way in which the matter appeared on the *Notice Paper*. In relation to proposed standing order 190(e), the words ‘at 6 pm’ should not have appeared.

Mr HOCKEY (North Sydney—Minister for Employment and Workplace Relations and Minister Assisting the Prime Minister for the Public Service) (4.19 pm)—On behalf of the Leader of the House, Mr Abbott, I move:

That unless otherwise ordered, standing orders Nos 190(e) and 192 be as follows:

190 (e) The Committee shall stand adjourned on completion of all matters referred to it, or may

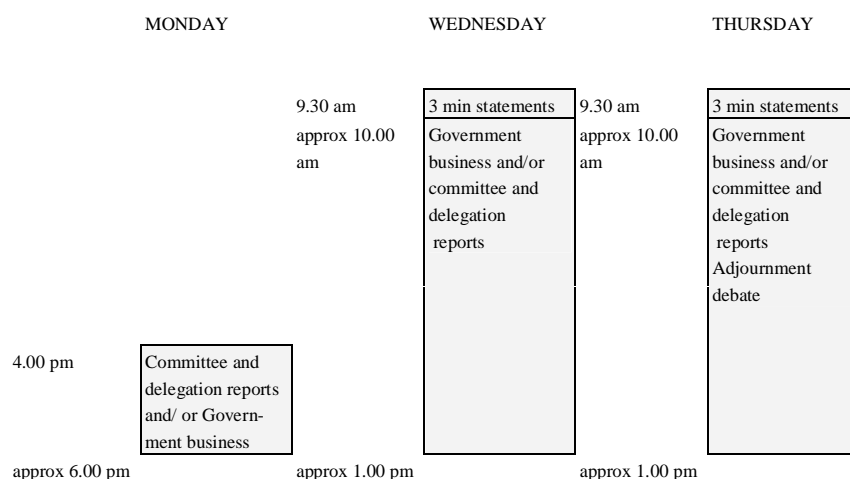
be adjourned on motion moved without notice by any Member—

That the Committee do now adjourn.

192 Main Committee’s order of business

- (a) If the Committee meets on a Wednesday or Thursday the normal order of business is set out in figure 4.
- (b) The Committee shall meet, if required, on a sitting Monday from 4 pm to 6 pm to consider orders of the day relating to committee and delegation reports and these orders of the day shall have priority over other business, unless otherwise ordered.

Figure 4. Main Committee order of business



The meeting times of the Main Committee are fixed by the Deputy Speaker and are subject to change. Additional meetings may be scheduled if required. Adjournment debates can occur on days other than Thursdays by agreement between the Whips.

Mr ALBANESE (Grayndler) (4.19 pm)—Labor supports this amendment to standing orders, which would allow the Main Committee to sit on Monday until all business before it is concluded instead of requiring a motion to extend. The amendment to standing order 192 clarifies that the priority of the Main Committee on Mondays is committee and delegation reports. It is extraordinary, however, that we have a motion before the

House this afternoon to extend the sitting of the Main Committee. Whilst we in the Labor Party are certainly happy to facilitate the use of the Main Committee to consider business, it is surprising because the government has not been prioritising business at all. Indeed, in the last sitting, just six weeks ago, the week before parliament rose, the Main Committee barely had any business to consider at all. On the Wednesday, all we had was a se-

ries of three-minute statements from members and on the Thursday it did not sit at all. Nothing could better illustrate the fact that this government is short of ideas, it is short of legislation, it is out of touch and it is out of time. Nothing could better illustrate that fact. The Leader of the House, the member for Warringah, never does his job. He gets other people to do it for him. He cannot be bothered moving motions that are appropriately moved by the Leader of the House in this chamber. He simply gets his colleague—

Ms Macklin—Where is he?

Mr ALBANESE—He's out jogging. That is where he usually is at this time of the day. This is a government—

Mr Hockey—Mr Deputy Speaker, I rise on a point of order. If the Manager of Opposition Business wants to engage in a debate about the fitness of the Leader of the House, I am happy to engage in a debate about that, but I would like to hear him come back to the Main Committee order of business. Standing orders 190(e) and 192—

The DEPUTY SPEAKER (Mr Jenkins)—The minister will resume his seat, and I am sure the member for Grayndler will be relevant to the question before the House.

Mr ALBANESE—I certainly will. It is not surprising that government ministers are embarrassed. They are embarrassed by their own performance—embarrassed about extending the sittings of the Main Committee when there is no legislation before the Main Committee to consider. It is extraordinary. We can remember back to previous times before elections in 2004, 2001 and 1998. The House was full of legislation. There was a battle of ideas. What do we see from this government? This is a government that is out of ideas and out of legislation. Indeed, the only legislation that it has before this House to consider tends to be legislation amending its own legislation, such as Work Choices,

because it has got the fundamentals of its legislation wrong. Surely the first step should be ensuring that the Main Committee does not sit vacant like it did during the last session. The government is putting the cart before the horse. You actually need some legislation before you expand the sittings of the Main Committee. This is in contrast to the solid legislative agenda that Labor has been outlining all year on climate change, on addressing our water crisis, on broadband and on education. I would encourage the government to actually refer the private member's bill that we have to ratify the Kyoto protocol, for example, to the Main Committee for full debate and then have a vote on it rather than sitting on this legislation and refusing to allow votes in this chamber or proper debate.

It is very clear, and we saw it again today when he was asked a question about the future of education, that the prime minister's response is all about the past. His response was all about the 1990s—when we were talking about the budget here and through the forward estimates years to 2010-11. So we welcome the opportunity to have more debate and we will be engaging in it. But we say to the government: if you are going to increase sitting times and make these changes then let us have more debate on the policy differences, which are stark, in this election year: the policy differences on addressing our skills crisis, on addressing infrastructure, on the education revolution, on providing broadband, on addressing climate change and the water crisis, on addressing all these issues—

Mr Hockey—And industrial relations.

Mr ALBANESE—and on making sure that we have a fair workplace relations system for Australia. What I would like to debate as well is the failure of this government, when it comes to industrial relations, to ad-

dress the issue of those workers from Tristar in my electorate. This government sat on its hands. I asked questions of the Prime Minister last year. We had a delegation, a busload, of workers from Tristar down here and the government refused to see them. It only noticed that this was an issue when Alan Jones and other people in the media took it up. The minister asked for a debate on these issues but he does not like hearing—

Mr Hockey—I rise on a point of order. Not only is the member factually incorrect but the matter is actually before the courts. I would urge the member to bear in mind that, because the matter is before the courts, we should not prejudice the court proceedings with debate.

The DEPUTY SPEAKER—Order! The chair is in the invidious position of not knowing at what stage the legal proceedings are. If there are matters before the court, I would hope that the member for Grayndler recognises that and couches his words in terms of the *House of Representatives Practice*.

Mr ALBANESE—I assure you, Mr Deputy Speaker, that I certainly do. What is not before the courts is the fact that I asked questions of the Prime Minister and the Prime Minister dismissed them out of hand. What is not before the courts is the fact that a busload of workers from Tristar came here last year. I asked a question while they were in the gallery and the government refused to see them. That is a fact. That is not before the courts; that is an absolute fact. The minister opposite said that he wanted more time in the Main Committee and in this chamber to talk about industrial relations. He suggested that. I took it up. The first time I did there were objections, points of order and attempts to shut down debate.

Mr Hockey interjecting—

Mr ALBANESE—I will continue to talk about Tristar, as I have been doing now for more than a year.

The DEPUTY SPEAKER—The honourable member will refer his remarks through the chair. The minister might assist by ceasing to interject.

Mr ALBANESE—I believe that I have a responsibility to represent those people, because they were not going to get any representation from the other side. The fact is that we are prepared to support this motion extending the time of sittings for the Main Committee. We are prepared to facilitate these debates. We are prepared to ensure that every opportunity is taken to talk about the forward-looking agenda that Kevin Rudd and Labor are pursuing. I commend the changes to the House. I suggest to the government and, through the minister, to the absent Leader of the House that to fill in this time in future we would be quite happy to debate the pieces of legislation that we have sitting on the *Notice Paper*, because that legislation represents the fact that we are ready to govern Australia into the future.

Mr PRICE (Chifley) (4.28 pm)—I rise, firstly, to endorse the remarks of the Manager of Opposition Business in the House. I observe, like he did, that normal practice is of course that these changes to standing orders, which affect every member of this place, are moved by the Leader of the House or, in his absence, the Deputy Leader of the House. There is nothing particularly wrong with a minister introducing these changes. However, one does assume that he would at least explain to the House what the changes were. I find it a tad ironic that he took a point of order on relevance about changes to standing orders that he did not understand or was unable to explain to the House. Be that as it may, these are a minor but significant change because they allow what is effectively a pri-

vate members' Monday in the Main Committee to parallel what is in the chamber should the legislative load be such that government bills can be debated on that sitting Monday. Priority of course is given to private members' business.

We have seen increasing changes to what is actually being done in the Main Committee. This enhances the role and the importance of the Main Committee. Like the Manager of Opposition Business, I certainly hope that the government has a legislative program which in fact would enable the Main Committee to be fully utilised and afford members the opportunity to debate legislation. The minister at the table said that he wanted to have a debate on industrial relations. I was wondering, for my own edification, when the new legislation that he has announced will come in and when we will have that opportunity to debate those changes. Will he allow a full debate without it being truncated?

Question agreed to.

BUSINESS

Withdrawal

Mr HOCKEY (North Sydney—Minister for Employment and Workplace Relations and Minister Assisting the Prime Minister for the Public Service) (4.31 pm)—On behalf of the Leader of the House, Mr Abbott, I move:

That the following order of the day, government business, be discharged: Child Support Legislation Amendment Bill 2004: Second reading—Resumption of debate.

Question agreed to.

FEDERAL COURT PROCEEDINGS

Mr HOCKEY (North Sydney—Minister for Employment and Workplace Relations and Minister Assisting the Prime Minister for the Public Service) (4.32 pm)—On behalf of the Leader of the House, Mr Abbott, I move:

That the House grants leave for the report by the House of Representatives Standing Committee on Expenditure *Northern Territory Forestry Program*, 24 May 1978, to be produced in proceedings in the Federal Court of Australia in the case *Collins v. Northern Territory of Australia*, and in any subsequent proceedings.

Question agreed to.

HEALTH INSURANCE AMENDMENT (INAPPROPRIATE AND PROHIBITED PRACTICES AND OTHER MEASURES) BILL 2007

Report from Main Committee

Bill returned from Main Committee without amendment; certified copy of the bill presented.

Ordered that the bill be considered immediately.

Bill agreed to.

Third Reading

Mr HOCKEY (North Sydney—Minister for Employment and Workplace Relations and Minister Assisting the Prime Minister for the Public Service) (4.33 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

HIGHER EDUCATION LEGISLATION AMENDMENT (2007 MEASURES No. 1) BILL 2007

MIGRATION AMENDMENT (MARITIME CREW) BILL 2007

Returned from the Senate

Messages received from the Senate returning the bills without amendment or request.

SOCIAL SECURITY AND VETERANS' AFFAIRS LEGISLATION AMENDMENT (ONE-OFF PAYMENTS AND OTHER 2007 BUDGET MEASURES) BILL 2007

Second Reading

Debate resumed.

Ms MACKLIN (Jagajaga) (4.34 pm)—The Social Security and Veterans' Affairs Legislation Amendment (One-off Payments and Other 2007 Budget Measures) Bill 2007 provides a one-off, non-taxable bonus payment of \$500 to each person qualified for utilities allowance or seniors concession allowance on budget night. Labor supports this one-off bonus payment to these concession card holders because they certainly deserve this money, and many of them are struggling to make ends meet. The bill will provide \$500 before the end of this financial year to all age pensioners and to those self-funded retirees earning less than \$50,000 for singles or \$80,000 for couples combined.

We certainly support this initiative. We know that there have been significant increases in the cost of living, and I am sure that, when all members of parliament are out in our shopping centres talking with constituents, they hear on a regular basis how difficult it is for seniors, in particular, to make ends meet given the ongoing rises in food prices. In the last quarter, in March food prices rose by 4.6 per cent. This was particularly due to increases in fruit prices, which rose by almost 15 per cent. It is not surprising that we often hear from seniors in our electorates about how difficult it is for them to manage. The price of petrol and other very important utilities and basics that people need just to manage from week to week have also risen.

We also know that our seniors provide the backbone for many of the voluntary organisations in our community and spend a lot of their own money, especially on petrol, going to help out those in even greater need in our community, visiting and providing support for the very aged and for others who are on their own. This \$500 payment will provide that extra bit of help that I am sure the recipients will appreciate. The payment will also go to those of service pension age re-

ceiving, as I mentioned, the utilities allowance or the seniors concessional allowance and to those receiving the mature age allowance, the widows allowance and the partner allowance. All of those people will receive the payment before the end of June.

This bill also provides payments to a wide range of carers. We know that in many circumstances they too are working extremely hard to care for their loved ones. A payment of \$1,000 will be made to carers who are currently receiving the carer payment. Recipients of the carer allowance will receive a payment of \$600 for every eligible care receiver. In addition to the \$600 carer allowance bonus, recipients of the carer allowance who also receive the wife pension or the Department of Veterans' Affairs partner service pension will receive a payment of \$1,000. The last three budgets have provided similar one-off lump sum bonuses to eligible carers. We certainly welcome these payments because we know that, as with seniors, many carers are finding it difficult to make ends meet—and, of course, it is very hard for them to find time to be able to earn any money. We know that they also have significant extra costs because of their caring responsibilities.

I am sure that I speak for all members of parliament when I say that many carers feel that their work is undervalued. I think people often feel that way because, in the vast majority of cases, their work is carried out behind closed doors, in people's homes. I do not think they feel that they are well understood. Also, an increasing number of women aged between 35 and 54—often called the 'sandwich generation'—are being asked to provide most of the care needed by their children and by frail older people who are, most often, related to them. We do have a rapidly ageing population in Australia, so we can only expect that the number of people who will need to be cared for in this way will

increase. There are about 2.6 million carers in Australia. I hope that the support that this bill will provide to them will give them the recognition that they deserve and that bit of extra relief to help them meet the heavy load that they carry.

A major study done in 2006, called the AMPNATSEM study, found that the average carer is \$5,600 worse off each year compared with someone with no caring responsibilities. We also know that one in every seven Australians is providing primary or informal care for an older frail relative or one with a disability. As I mentioned before, most of that burden is still falling on women. The report also goes into the expectation that these responsibilities will increase as the population ages. This will happen at the same time that we see an increase in the need for women to participate in the workforce, which is also related to the ageing of the population. The responsibilities that those women will have to carry—workforce responsibilities and caring responsibilities for their children and ageing parents—are likely to increase. We also know that carers are more often than not family members and that it is often the case that the carer is an elderly person themselves. I certainly know from my own family's circumstances that that can be an enormous responsibility as well as a very heavy load. Carers are doing this day in and day out—and often during the night as well when it involves the support of someone who is frail or ill.

The bill also contains a number of measures to support veterans and war widows and widowers, and I want to go through each of those. Schedule 5 of the bill will make one-off payments on 1 January 2007 to Australian former prisoners of war in Europe or their surviving widows. We certainly welcome this initiative. I notice that the Labor shadow minister is at the table, and he will strongly endorse my remarks that this pay-

ment is long overdue. Unfortunately, the government left these Australian prisoners of war from Japan and Korea out of the first two ex gratia payments in 2001 and 2004. I am pleased to see that that oversight has now been rectified.

The bill will also increase the maximum funeral benefit from \$1,000 to \$2,000 for eligible veterans under the Veterans' Entitlements Act 1986. Once again, we welcome this initiative. We know—my colleague at the table is very well aware of this—that the funeral benefit has been a longstanding concern in the veterans community, and this initiative is certainly a step in the right direction.

The bill will also increase the veterans disability pension for special rate and intermediate rate recipients by \$50 and \$25 a fortnight respectively from 3 July 2007. This will benefit around 29,600 veterans who receive either the special rate or the intermediate rate of disability pension because their injuries or diseases related to war or defence service on behalf of Australia limit their earning capacity. Once again, we welcome this catch-up payment. It was needed to address the erosion of these pensions that, under the Howard government, has occurred since 1997. It is unfortunate that the government has not taken this opportunity to fix the indexation of these pensions.

By contrast—and this is a very important contrast between the Howard government and the Labor opposition—Labor has already committed to properly indexing these pensions in the same way that the age pension is indexed. I call on the government to follow Labor's lead to make sure that these people do not fall behind in the way they have over the last few years. It is unfortunate that the government did not include extreme disablement adjustment pension recipients in this catch-up budget. As I am sure everybody

in this House knows, these veterans fought in World War II, Korea and Malaya and suffer from severe disabilities. Unfortunately, it seems that once again they have been ignored by the government.

War widows who claim a pension following the death of their spouse will now receive an additional three months to claim a backdated war widow's pension. Once again, we think this is a good move. From 1 July 2007, war widows who claim the pension within six months of their spouse's death will have their pension backdated to the time of death, recognising that the death of a spouse in this situation is extremely difficult. This provision gives our war widows time to come to terms with all the things they need to do following a very painful and difficult event.

Labor have been calling on the government to address the erosion of our most severely disabled war veterans pensions. I want to inform the House about the dimension of the loss that these pensioners have faced because of the government's refusal to properly index their pensions. Over the last 10 years, because these pensions are only linked to increases in the cost of living, there has in fact been a drop of over \$70 a fortnight in the value of the special rate disability pension. That is a very substantial amount for people dependent upon a pension. Similarly, there has been an erosion in the value of the extreme disablement adjustment and intermediate pensions. Once again, I say to the government that, although we do support what is in this bill, it really is high time that the long-term problem of indexation of these pensions is addressed. It is only by addressing the long-term problem and making sure we have proper indexation that veterans will be given the certainty that the value of their payments will be maintained and the dignity of their circumstances will be respected.

As I said, I am very pleased we have indicated that, if we are successful at the next election, a Rudd Labor government will make sure that our most severely disabled war veterans will have their pensions adjusted to take account of not just the cost of living but also the standard of living. A Labor government will make sure that these veterans will no longer have to depend on the government delivering the sorts of ad hoc, catch-up payments that we are debating today. If Labor is successful at the next election, future increases that account for both increases in the cost of living and the standard of living will be automatic under Labor. Indexation is the only long-term solution to maintain the true value of veterans pensions.

In 1997, when the Howard government indexed a range of other pensions, they left out the above general rate disability pensions. Since that time there has been an erosion of the value of these pensions compared to pensions in the broader community—for example, in 1997 the special rate disability pension represented 46.3 per cent of male total average weekly earnings. On the most recent figures available, it now represents only 42.9 per cent. The government provided only partial indexation in 2004, and that was in response to sustained protest from the veteran community. Unfortunately, it was only a bandaid solution, and tonight we are debating another catch-up rather than a long-term solution. We certainly do not want to treat our most severely disabled war veterans in this way. Labor wants to give war veterans security for the future.

To be very specific about what we intend to do: if we are successful at the next election, Labor will restore the value of the special rate disability pension, the intermediate rate and the extreme disablement adjustment pensions by indexing the whole of these pensions to movements in male total average weekly earnings or the consumer price index,

whichever is greater. This will benefit more than 43,000 war veterans with disabilities. On current projections, over the first four years after implementation, the recipients of these pensions will be \$1,700 better off, with their pensions building to \$30 a fortnight more than they would otherwise have been. The announcement certainly concerns the most severely disabled of our war veterans. They include those who fought and served in conflicts including World War II, Korea, Malaya, Vietnam, the Gulf War, East Timor, Iraq and Afghanistan. Unfortunately, we are already seeing veterans from Iraq and Afghanistan needing assistance. As of December 2006, eight soldiers who served in Afghanistan and two from Iraq would be affected by Labor's commitment. I certainly hope we are able to deliver that increase as a result of being successful at the next election.

As I am sure everybody here knows, our veterans have paid a very high price for their service to our country, and this really is about fixing an injustice. Once again, I want to give credit to our shadow minister. A lot of people at my recent Anzac Day service at the repatriation hospital in Melbourne said to me how grateful they were for the way in which the member for Bruce has been willing to listen and to convince our colleagues about the importance of this measure. I know how much it is appreciated by veterans. I think that would apply not just to people in my electorate but to people right around Australia.

I just want to say in summary that we support these payments. We think that they are very important and we want them to get into the hands of the carers, seniors and veterans as quickly as possible. However, it is unfortunate, given that the bill has been brought in so quickly, that the financial impact statement contained in the explanatory memorandum does not give any indication of

departmental costs associated with the payments. I would just say to the minister that when he is summing up this debate—we obviously do not want to hold up the legislation; we think it is very important—these matters nevertheless need to be dealt with properly, because the parliament needs to know about these costs. In this bill, there are also very wide powers given to the minister to make administrative arrangements for these payments by legislative instruments. Once again, I think these issues need to be properly explained when the legislation comes into the parliament. I will finish by reiterating Labor's strong support for these payments. We know that, for many seniors, carers and veterans, life is pretty tough. It is hard for them to make ends meet, and I know any support will be very gratefully received.

Mr FAWCETT (Wakefield) (4.53 pm)—I rise to address the Social Security and Veterans' Affairs Legislation Amendment (One-off Payments and Other 2007 Budget Measures) Bill 2007, which deals with a very important issue for our community. When I have sent out surveys or stood for long periods of time in shopping centres and spoken to people, I have been given consistent feedback from seniors in our community, who talk to me about the various situations they find themselves in. The thing that strikes me is that there are a range of situations. I have spoken in this House before about the fact that some seniors are doing very well, particularly those who own their own homes in areas that do not have high council rates and where they have access to public transport et cetera, but there are some—perhaps those in Housing Trust homes who do not have access to public transport or those with very high council rates—who, for the same given income, really struggle to put food on the table. I think it is important that at this time, with the budget, we look at any measures we can to make sure that we have the fairest and

most equitable distribution of some of the wealth that this nation is enjoying to those who have gone before us and helped to build this nation.

The older Australians bonus of \$500 is payable to every person over pension age who is eligible for the utilities allowance or the seniors concession allowance on budget night this week. For DVA pensioners this also includes age, invalidity or partner service pensioners over pension age, and Commonwealth seniors health card holders and gold card holders over pension age. These are one-off payments but they are non-taxable and they are not classed as income. Those are important things, because some of the feedback I have had from people is that they have appreciated rises in pensions before but particularly those in Housing Trust properties have noted that some of that—in fact, a substantial amount—gets taken away by the Housing Trust. So those people are not as well off as we would have intended by giving them a rise in their pensions. By taking this approach of a bonus—as we look at things like the utilities allowance—we have ensured that it does not come into the equation when things like house trust rents are calculated. So the people who are receiving this bonus are actually getting the opportunity to use the entire bonus for the purposes that they want to in their own households. Whether that is to pay off bills, to assist with things around the home or to do other things, the entire amount is available to them.

In the electorate of Wakefield, there are some 15,000 aged pensioners in receipt of the utilities allowance who will receive this \$500, and there are nearly 1,200 seniors in receipt of the senior concession allowance who will receive it as well. So well over 16,000 seniors in Wakefield will receive this \$500, which is one way that this government, through its responsible economic manage-

ment, can share the wealth that this country is currently generating.

The other people whom I interact with on a regular basis are in groups such as the Elizabeth Special School—the parents there who care for children with special needs—and the Northern Carers Network, including Maria Ross, who runs that organisation. They are people who care for the elderly and those with disabilities or chronic illnesses. They invest a huge amount in some of the most frail and needy in our community, and we cannot begin to thank them enough for that. The carer bonuses, which have been paid now for the fourth year in a row, are just a small way in which the government recognises the invaluable work that these people do.

As in previous years, this year the government will provide a lump sum payment to eligible carers who were in receipt of the carer payment or the carer service pension and/or the carer allowance and those in receipt of the wife pension or the DVA partner service pension who also receive carer allowance on budget night this year. In Wakefield's case, nearly 4,400 people are in receipt of carers allowance. They will receive that \$600 bonus. Over 1,000 people who are in receipt of the carer payment will also receive it. So nearly 5,500 people who are carers—who are giving of their time, energy and compassion to care for those around them—are recognised in a small but significant way through this measure, which I welcome.

I also welcome the opposition's support for these measures. It is encouraging to see that they also see the benefit of it, but I am somewhat bemused by their comments about the measures that we have taken to support veterans. As someone who served for over 22 years in the armed forces I am very aware of the needs of veterans. Certainly one of the

large issues that have been brought to my attention time and again by the TPI organisation is the matter of the indexation of the income or compensation aspects. This government has chosen to increase the special rate by \$50 a fortnight and the intermediate rate by \$25 a fortnight, with effect from July this year.

I note that the opposition has welcomed that, but, at the same time, they criticise it and say how good their plan is. But I notice that their plan, announced by Mr Rudd, looks at commencing indexation, which would build over a four-year period to a sum of \$30 per fortnight. The previous speaker was saying just before that, under their plans veterans would be better off by some \$1,700. Under our plan, because the \$50 comes into effect from July this year and is not incrementally built over four years, TPI pensioners will be better off by over \$5,000. When you compare those two schemes, it is fairly clear that we have taken a step that optimises the benefit to these veterans who have served our country, with immediate effect from July this year. I certainly welcome that move. I also welcome the moves in terms of funeral benefits, although personally I am disappointed they were not greater, and I welcome the fact that war widows now have a longer period in which to register their claims for the new pension once their husband or wife dies from a war-related cause.

The important thing that has come out of this is that this government is able to provide these support measures to people who have gone before us in our community because its good economic management has led to more revenue. Why is there more revenue? It is because there are more people in work, because business has been encouraged and because there has been investment in this country. We have seen revenue go up, which has given the government more options to provide for carers, for our seniors, for education,

for the environment, for infrastructure and for defence. Because of good economic management, we are able to do the important things that a government should do.

I am glad to see that the opposition have supported these measures. I am disappointed, however, that over the last 10 years they have not supported the measures that have led to this economic outcome. When we came to office in 1996, there was \$96 billion of debt, resulting in \$8½ billion of interest having to be paid every year. There were deficits year after year, which meant there was no capacity to provide this sort of support to a range of people with a range of needs in our community. So, whilst I am glad they support these measures, I am disappointed they have not supported the economic measures over the years that have led to us having the economic capacity to share the wealth of this nation not only across portfolio areas but, importantly, with our seniors, our carers and our veterans, to whom we owe an enormous debt of gratitude.

Mr GRIFFIN (Bruce) (5.02 pm)—I would like to welcome the Social Security and Veterans' Affairs Legislation Amendment (One-off Payments and Other 2007 Budget Measures) Bill 2007 and to make some brief points today, particularly relating to the veterans and ex-services community. I will focus on two or three points and I will pick up on a couple of points that my friend the member for Wakefield made on the way through—they were not bad points, but I want to further clarify our position with respect to indexation.

I will start off with the compensation payments under schedule 5 for certain World War II internments. Under this schedule, the bill will make one-off payments of \$25,000 to former Australian prisoners of war in Europe or to their surviving widows as at 1 January 2007. Labor welcomes this ex gratia

payment. This is a long overdue initiative that addresses an injustice that left these prisoners out of two previous *ex gratia* payments.

In 2001 the Howard government made a payment of \$25,000 to former Australian prisoners of war in Japan. At this stage there was much criticism that they had left out the POWs of Europe and Korea. The government ignored the criticism at this time. In 2004, after the Clarke review, they finally made a payment to former Australian prisoners of war in Korea. Again they were criticised for leaving out Australian prisoners of war in Europe. Finally, six years and two elections after the original announcement, these former prisoners or their surviving widows are getting what is duly owed to them.

Until now, the government argued that the conditions experienced by the POWs in Europe did not warrant this payment. However, one thing should be made very clear, and that is that prisoners of war interned in Europe did suffer, and they suffered considerably. Returned POWs reported a lack of appropriate medical care and facilities; an inadequate diet; inappropriate washing facilities; sleeping quarters infested with lice and vermin; confinement in small spaces without toilet facilities, food and water whilst being transported; physical abuse from their captors; forced marches; slave labour; being shot or abused when caught trying to escape; and being shackled. In addition, POWs were subjected to the extreme cold of European winters while lacking rations. The Ex-Prisoners of War Association of Australia has argued that breaches of the Geneva convention varied between regions, while other breaches relating to security, rations, medical matters, transport and shackling were more systematic and clearly the policy of the German high command. Labor congratulates the government on finally correcting this injus-

tice and fully supports this worthwhile initiative. I would like to particularly congratulate the minister because I know that he has been interested in this issue since he became the minister. I give him credit for being able to steer this action through at this budget.

I will talk briefly about some other matters. Under schedule 6 there are amendments to increase funeral benefits. The bill will increase the maximum funeral benefit for eligible veterans under the Veterans' Entitlements Act 1986 from \$1,000 to \$2,000. Again, Labor congratulates the government on this initiative. There has been a longstanding concern within the veterans community about the low level of this benefit in comparison to the benefit allowed under the Military Rehabilitation and Compensation Act 2004. This goes some way to addressing this discrepancy and is a positive step in the right direction. It certainly is an issue that is raised with me regularly within the veterans community as something that they see as being quite inequitable. I know that many in the veterans community will not feel this has gone far enough. I understand their position on that. It is something that we will look at, but at this stage I congratulate the government on taking action with this initiative.

The next item I would like to discuss is the amendments under schedule 7 to increase the rates of certain pensions. Under this schedule the bill will increase the veterans disability pension for special rate and intermediate rate recipients by \$50 and \$25 respectively per fortnight from 3 July 2007. This measure will benefit around 29,600 veterans who receive either the special rate or the intermediate rate of disability pension because their injuries or diseases, related to war or defence service on behalf of Australia, limit their earning capacity. This was a matter which the member for Wakefield spoke about earlier. He sought to contrast his understanding of our position on this issue

with the government's and to focus on certain aspects of that. I will go to that matter briefly. I make it very clear at this stage that we completely support the payments that are being made through this process.

I want to make my argument on this issue clear: there has been a significant erosion as a result of incomplete indexation for those veterans under the special rate disability pension, the intermediate rate pension and the extremely disabled adjustment pension over the last 11 years. It dates back to when the government itself created a situation where we had male total average weekly earnings or CPI, whichever is the greater, for the age pension and a number of other pensions but it left these pensions on CPI increases. There is an argument for it. It is an argument which was not accepted by the veterans community, and it is an argument which has been debated with a good deal of heat, passion and anger within the veterans community over the last decade. It was reconsidered as part of the Clarke review, and the government made some changes with respect to splitting the payment in two. But I think it is fair to say that, although that addressed part of the issue, it actually created a good deal more concern and in fact incensed elements of the veterans community on the basis that it was not seen to be fair, reasonable or just in the circumstances.

What we have seen under that erosion over the last 10-plus years now is—depending on whom you talk to—an impact of somewhere between \$70 and \$92-plus a fortnight for someone on the special rate disability pension. So it is significant; there is absolutely no doubt about that. Over that period, we have seen no catch-up payment, none at all, to address the issue of that erosion. There was one catch-up payment—if you could call it that—one adjustment. That related to the implementation of the GST. Essentially, as many lower income earners

were receiving some additional compensation to make up for the costs of the GST, there was a small increase. But, in the context of the erosion of the value, this is the first time. We are talking 12 budgets to actually see some action. To put that into perspective, \$50 in one hit sounds great—it sounds fantastic; it sounds significant—but it is just over \$4, \$4.17 or thereabouts, per budget if you add it up over time. When you put it in that perspective, it is significant but there is still a long way to go.

The position that I have taken on this issue, and it was announced recently, related to indexation, which we sought to put forward as policy—in fact, the member for Wakefield mentioned it—because that has been the principal demand from right across the ex-service organisations and the veterans community. Indexation is required to ensure that there is certainty, dignity and justice in the payments that they receive and to halt the erosion.

On from that, there has been the issue of that erosion and the impact of dealing with that erosion—the question of a catch-up payment. The position that I have put with respect to that issue is very clearly this: Labor stood ready to accept and to support any payment that the government came forward with which actually dealt with the issue of that catch-up, because we knew and we believe that, as that erosion occurred under this government, this government has the responsibility to deal with it and to bring forward a measure to compensate those who have missed out as a result of that erosion.

The member for Wakefield made a point about the value of our proposal—probably best estimated over a period of four years from introduction—being something like \$1,700 net and \$30 per fortnight at the end of that four-year period and that that is therefore significantly less than what the govern-

ment proposes with \$50 a fortnight now, which will add up to something like five grand. The point is this: that is something that the government needed to do because of its neglect over the last decade. Labor support that payment going forward. Ours is additional to that and ours remains additional to that, so let us be in no doubt about the circumstances here. The government has done what the government had to do, because the government had let the whole system go to seed. We have said that we will endorse that payment and will then further increase it by introducing indexation. It has taken 12 budgets for a catch-up payment. When will the next one be—in another 12 budgets? How much greater will the difference be over that period of time?

The fact of the matter is that these people need certainty, they deserve certainty, and we will give them certainty after the next election by ensuring that there is no further erosion. We will restore indexation so it is there for all these people who have been affected. That is the important thing about our policy and it is the difference between us and the government on this issue. We fully support this as part recompense for what went wrong, but we want to try to set up a system into the future that means we will not be coming back here in five, 10 or 12 years time once again saying, 'Here's a payment to make up for what you've lost over the last decade.' I think that is a very important point.

I have to say, though, that that is not the way the minister saw it. When the details of our announcement came out, Minister Billson was quoted in the *Herald Sun* in an article by Neil Wilson entitled 'Labor's plan wins veterans'. The article reads in part:

But Veterans Affairs Minister Bruce Billson slammed the measure as a "cobbled together media stunt".

Mr Billson said it would take until 2012 for disabled veterans to achieve any real benefit.

He then went on to say:

They say this is about equity but it is illogical. It is inconsistent and unprincipled in ignoring 100,000 other people on lesser degrees of disability pension ...

I will just pick up on a couple of points. In terms of it being a 'cobbled together media stunt', we can always debate the issue of when these things are announced. Let me make it very clear that I, and Labor, have been working on this policy for quite some time. I have been talking about this issue in speeches at veterans congresses all over this country for more than 12 months. I have been saying that this is an issue that is under serious consideration. Senior people within ex-service organisations in this country can confirm that. They know because I and others have been talking to them.

I am joined today by the member for Cowan. I know he has an in-depth understanding of this issue and his knowledge has been of great assistance to me in trying to come to grips with what is in many ways a very complex issue. This is not something that has just occurred overnight. A lot of work has gone into it, and therefore I do not think it can be considered to be a 'cobbled together media stunt'. The minister also said that it would take until 2012 for disabled veterans to achieve any real benefit. Again, that is just not true. Under our proposal, the first indexation point after our first budget will be September 2008. The difference between MTAW and CPI will be paid at that time.

The point in relation to the \$30 is that that is what we estimate the likely cap to be over the four-year period of the forward estimates, but people will be getting money as they become entitled to it, under the CPI versus

MTAWE adjustment, every six months. So, in fact, the minister is wrong.

On the issue of equity, the minister is saying it is illogical and inconsistent. He mentioned the issue of the 100,000 other people on lesser degrees of disability pension. What he is talking about is people on varying rates of disability as a result of general rate disability pensions. Again, this is a complex area and I will not take the time of the House to go through it in detail. But I will say a couple of things. Firstly, in respect of general rate disability pension I do not wish to denigrate in any way the disabilities that many people have, but the key issue normally in the consideration between general rate disability pension and special rates and intermediate rates is the recipient's capacity to work. Secondly, the minister's own press release with respect to the catch-up payment is interesting. I will go to what he said to justify why special rate and intermediate rate pensioners got this catch-up payment but nobody else did. He said:

The special rate takes into account incapacity from war or defence caused disabilities that alone are so great that a veteran cannot undertake any employment totalling more than eight hours per week. The intermediate rate takes into account incapacity from war or defence caused disabilities that alone are so great that a veteran cannot undertake any employment other than on a part-time or intermittent basis.

That is exactly the case. The point is that, in the paper, the minister accuses Labor of being illogical and inconsistent with respect to this particular difference, yet he himself has used this definition as a basis for citing why certain groups have got this payment and certain groups have not. I think the minister was right in the budget press release, but I think he was wrong in the newspaper article. In those circumstances, he ought to have another hard look at his position on this issue. This is an issue of real and ongoing concern

within the veteran community and it is not going to go away. The reason it is not going to go away is that, once again, whether it be July 2007, July 2008, July 2009 or July 2010, the fact is that the erosion will continue. Six months after the \$50 is paid the erosion will continue—and it will keep going. People will be left to come back, cap in hand, just before the election after next, to seek some recompense, some catch up, in a situation which is not fair, not justified, not dignified and not something that these people deserve to be put through.

I want to pick up on another couple of issues under the bill. Under schedule 8 there are amendments relating to the backdating of war widow and widower payments. Under this schedule the bill will allow war widows who claim a war widows pension following the death of their spouse an additional three months to claim a backdated pension. From 1 July 2007, war widows who claim the pension within six months of their spouse's death will have their pension backdated to the time of death. Labor supports this measure. This is a worthwhile reform that has been requested and pushed hard by organisations such as Legacy and the War Widows Guild. This reform owes a lot to their hard work. I congratulate them and I also congratulate the government on taking this action.

The sacrifice by our nation's war widows cannot be underestimated. They have had to suffer the consequences of our nation's wars much more acutely than the rest of the population and they deserve everything they can get. The only thing that concerns me about this reform is the number of widows who, prior to this reform, would have been financially disadvantaged by not submitting their application within three months. The estimated cost of this measure suggests that there are a high number of widows who could be classified within this category. But

this is a worthwhile and positive reform and it has the full support of Labor.

Under schedules 1 and 2 of the bill, which provide for one-off payments to older Australians, each person who qualified for utilities allowance or seniors concession allowance on budget night will receive a one-off, non-taxable bonus payment of \$500. In effect, this will provide \$500 before the end of the financial year to all age pensioners and self-funded retirees earning less than \$50,000 for singles or \$80,000 for couples combined. This measure is expected to affect approximately 286,000 veterans and war widows. Our nation owes a lot to our veterans and war widows and Labor fully supports this payment being made. To be eligible for this payment a veteran or war widow will need to have been of age pension age or service pension age on budget night and be in receipt of an income support payment that qualifies them for utilities allowance or hold a Commonwealth seniors health card or Department of Veterans' Affairs gold card which qualifies them for seniors concession allowance. Labor fully supports this measure. It is hoped that this payment will help ease the burden that cost of living increases are having on our veterans and war widows.

Under schedules 3 and 4 of the bill, which provide for one-off payments to carers, a payment of \$1,000 will be made to carers who receive carer payment. Recipients of carer allowance will receive a payment of \$600 for each eligible care receiver. In addition to the \$600 carer allowance bonus, recipients of carer allowance who also receive wife pension or the Department of Veteran's Affairs partner service pension will receive a payment of \$1,000. The last three budgets have provided similar one-off lump-sum bonuses to eligible carers.

The health of many veterans is often maintained, to a substantial degree, by their

partners in their role as carers. There are 2.5 million carers in Australia who look after family members or friends who have a disability, a mental illness, a chronic condition or are frail aged.

Carers make a great contribution to our society and to the economy more broadly by caring for their loved ones, who may otherwise be taken out of the community. It is estimated that carers save the Australian economy approximately \$20 billion annually. They do this by providing unpaid work. Carers clearly contribute a great deal to the wellbeing of our veterans and to those in the broader community who may require assistance in their daily lives. For these carers this measure will be very welcome and it is fully supported by federal Labor. However, I should add that, over the last couple of years, the system for payment of this allowance has not always run perfectly. I urge the departments involved to ensure that all carers who are eligible to receive this payment receive it on time. Our carers should not have to go chasing the government for this payment.

By and large, Labor supports this legislation, and I wish it a speedy passage to the other place.

Mr EDWARDS (Cowan) (5.21 pm)—I also support the Social Security and Veterans' Affairs Legislation Amendment (One-off Payments and Other 2007 Budget Measures) Bill 2007. While I will not speak for too long, so as not to delay it, I want to make some points. Firstly, I want to compliment the member for Bruce, Alan Griffin, who came in after the last election as the shadow minister for veterans' affairs. He has moved around Australia in a very energetic way, consulting with the veterans community. He has been to groups that I have not even heard of, and I have been heavily involved with the veterans community for some time. Right across the length and breadth of Australia he

has listened and spoken to them as he has consulted with them. I think our policy on indexation which was announced the other day—it is just one policy and there will be others before the election—is a very good policy, being well reasoned and well considered as a response to concerns put to us by the veterans community. I compliment Alan and the Leader of the Australian Labor Party, Kevin Rudd, on their response to this issue, an issue which has been going on for a long time.

I do not want to criticise the government, but I do want to make one little point. I think Alan Griffin's response to this budget has been very gracious. He has been very positive and very objective. I did look for a little bit more from the Minister for Veterans' Affairs when our policy was announced. I thought the minister's response was very juvenile. He knows that this issue of indexation has been an issue of contention in the veterans community for a long time. That we moved to address it was a good initiative, and I think the minister could have and should have recognised this. The minister has come to the portfolio at a fortuitous time, at a time leading up to an election when the government is flush with money. The government know they have got a difficult election in front of them and they are prepared to spend money. So I wish that the minister's response could have been a little more mature and a little more gracious. I will always speak critically of the minister when I think there is a need to, but, like this morning, I will also compliment him when there is a need to.

I have had a number of emails following the budget and the announcement of our policy just a few days ago. I want to thank the Vietnam Veterans Federation of Australia for the tremendous work that they have done over a long period of time. This particular ex-service organisation is not always in fa-

vour with government or opposition. It puts first and foremost the welfare of its members as its top priority, it is fearless in prosecuting the objects and aims of its membership and it is fearless in the way it goes about advocating for and supporting its members. Sometimes it stands on individuals' toes, but it is a good ESO and I simply wish there were a few more ESOs and individuals out there in the veterans community who could take a leaf from its book.

I want to thank the federation for the fact that it put out a press release today thanking both the government and the opposition for their responses to veterans issues. Its members are not happy, and I understand why they are not happy. They are not happy with the fact that this payment of \$50 falls some \$42 short of what they have lost since 1997 when indexation was taken away from the pension, and they make that point. But, by the same token, they congratulate the government on making this payment. They also congratulate the Australian Labor Party on their policy of indexation. I think it is important for the veterans community when they argue for something, even if they do not get all that they want, to at least acknowledge it. They do not have to tug their forelock or anything like that, but sometimes it helps to acknowledge that there has been at least some movement, which I think encourages ministers and shadow ministers and other members of parliament to be more enthusiastic in the way that they respond in addressing some of these issues. I want to congratulate Tim McCombe and Graham Walker from the Vietnam Veterans Federation. As I said, I think they do a great job.

I have had a number of other emails. I am not going to refer to them all. I want to refer to one particular email because I think its writer makes some good points. It has come from a fellow by the name of Ron King. He has this to say:

Well we have been thrown the keep quite crumbs again. What a disgrace to the Government of the day. We have been treated as the poor seconds compared to the other benefits given to other groups.

He makes two particular points that are the basis for these comments. Firstly, he says:

We look at the funeral allowance of \$2000. That buys the plot. Where is the rest of the costs coming from?

This once again is discrimination compared to the MRCA funeral benefits. Surely a Veteran of any war is entitled to the dignity of leaving this world in a respected manner. The new grant for burial is not good enough.

It is an improvement—we all acknowledge that. We appreciate it and we thank the government for it. But the point he makes is a good one. Under the military compensation scheme the grant available for a funeral benefit is some \$4,890, just under \$5,000. Given that the grant for a funeral under the military compensation scheme is just under \$5,000, why is a similar grant under the Veterans' Entitlements Act only \$2,000? That does not make sense to me, and I would really like the minister or someone else in the government to tell me why this differentiation exists. Once again this will be a bone of contention. Mr King goes on to say this:

The \$50 hand out to the TPI is a small catch up of the fallout from years of neglect.

To the Veteran community, once again they have missed the point here, and that is the SR—special rate—

pension needs to have a decent means of quarterly adjustment. Not just crumbs thrown at the will of a Government.

This point is well made, and I want to finish on this note. Not only have Labor addressed the issue of indexation; we have also sought to take the funding of veterans pensions out of the political arena. Our policy of indexation means that it will happen on a regular basis and that it will not be subject to the

whim of the government of the day, nor to the whim of the minister of the day.

For some 10 years the veteran community has suffered because of a political decision taken by the Howard government back in 1997. The government have now repaid to the veterans who are on these entitlements about half of that which they have taken away from them over that period. But they have made, in my view, a major mistake. They have left this issue fairly and squarely in the political arena. Who is to say, should this government be returned, that they will not do the same thing in the future to the veteran community—that is, screw them financially and not provide them with the regular indexation to which they are entitled to ensure that their pensions retain the value that they should in the community? Who is to say that they simply will not screw the veteran community again and not allow any increases for a period and then, when they face a difficult election, when they know that they are coming from behind, when they know that they are on the nose, suddenly throw a handful of money at them and say, 'Look, here's some money, we are looking after you; support us'? I hope that the veteran community see through this. I hope that the government might reconsider their policy and the fact that they have short-changed every TPI veteran in this nation by some \$42 and that they might give some serious consideration to taking this issue out of the political forum.

I conclude by saying that I am very disappointed that those on EDAs, who are some of the most disabled veterans in Australia and are some of the most disabled people in our community, will not benefit from this budget at all. I think that is a shame. That decision will ensure that the EDA community continues to suffer a lack of fairness. I commend the bill.

Mr WILKIE (Swan) (5.31 pm)—I rise to speak on the Social Security and Veterans' Affairs Legislation Amendment (One-off Payments and Other 2007 Budget Measures) Bill 2007 and to add my comments to those of the shadow minister, the member for Bruce, and the shadow parliamentary secretary, the member for Cowan. Before I commence specific comments on this bill, I would like to say that the way veterans are treated by their country is a measure of the quality of a nation. Those men and women who served Australia in the forces deserve our highest praise and they deserve their sacrifices to be recognised and applauded by all of us. It upsets and disturbs me when I hear of veterans who are suffering difficulties in accessing the pensions and the support services which they are due. Every single one of us has a duty to ensure that the systems which administer the pensions and benefits which veterans receive are efficient in delivering those services. Sadly, this is not always the case.

While I congratulate the Minister for Families, Community Services and Indigenous Affairs on the increase in pensions contained in this bill, I would have dearly liked to have seen the government do much more for veterans. Every Anzac Day and Remembrance Day we bow our heads to pray and say, 'Lest we forget.' As we honour those who served, we should never forget the obligation we have to all of our returned service men and women to ensure that the programs in place for them and their families are well funded and efficiently delivered.

As I said earlier, a country can be judged by the way it treats its veterans. While successive Australian governments have recognised the obligation of all of us to veterans through the payment of pensions and benefits, I am concerned that we have allowed the situation to drift and that now our veterans are under immense financial pressure. In my

electorate there are a number of very active RSL clubs, which I have the privilege of visiting on a regular basis. Most of these clubs have members who are TPIs and disabled veterans on pensions. I often hear dreadful accounts of the experiences of these veterans in making ends meet with the current levels of income that their pensions provide. Therefore, I support the measures in this bill which provide additional income.

However, more is needed. That is why the Leader of the Opposition and the shadow minister for veterans' affairs, the member for Bruce, have announced a major policy change to provide tangible improvements to the lives of our disabled veterans which would be in addition to the measures contained in this bill. Labor would increase benefits for our nation's most severely disabled war veterans by restoring the value of the special rate disability pension, TPI and TTI, intermediate rate and the extreme disablement adjustment pensions by indexing all of these pensions to movements in male total average weekly earnings or the consumer price index, whichever is the greater. This policy change will affect more than 43,000 war veterans with disabilities and is budgeted to cost \$61 million. In the first four years after implementation of this change, the recipients of these pensions will be \$1,700 better off, with their pensions building to \$30 a fortnight more than they would otherwise have been, not including the changes that are announced in this bill. So they would be far better off even than that.

Labor's proposal concerns the most severely disabled of our war veterans. They include those who fought and served in conflicts including World War II, Korea, Malaya, Vietnam, the Gulf War, East Timor, Iraq and Afghanistan. We are already seeing veterans from Iraq and Afghanistan needing assistance. Already eight soldiers who served in Afghanistan and two from Iraq would be

eligible under Labor's proposal for these enhanced arrangements and, therefore, higher pensions.

We have heard from many individuals and representatives of the veteran community about the importance of this issue. In 1997, when the Howard government indexed a range of other pensions, they left out the above general rate disability pensions. Since that time there has been an erosion of the value of these pensions compared to other pensions. For example, in 1997 the special rate disability pension represented 46.3 per cent of male total average weekly earnings. On the most recent figures available, it now represents only 42.9 per cent. If the Howard government had not squibbed the issue in 1997, these pensions would now be between \$70 and \$90 a fortnight higher. The Howard government provided only partial male total average weekly earnings indexation in 2004 after sustained protests from the veteran community. We should never be in a position where our veterans have to scream out in order to be treated fairly. In a decent and fair society with a reasonably good government, it should automatically happen that these people get looked after. In fact, what was done in 2004 was merely a bandaid solution that failed to fully address the problem.

I welcome the government's budget announcement that it will increase the veterans special rate disability pensions by \$25 and \$50 respectively. But this is window dressing at best. It further demonstrates the government's reluctance to fully acknowledge the sacrifices of our veterans who have been incapacitated as a result of their service to our country. These men and women did not ever fail us, but the government repays them by sticking a new bandaid over the old one, hoping the old one will go away. Without the indexation Labor has proposed, we will be revisiting this issue time and time again as veterans entitlements fail to keep up with the

growth of other pensions. There has been no other issue that has been the subject of greater, sustained and more passionate concern in the veterans community over the last 10 years than this one.

This is not just a concern that affects people in Western Australia—this issue affects people right across Australia. In fact, I was just talking with the prior member for Bradon, Sid Sidebottom, before I came down here. A very high number of these people live in the area that he previously represented, and he is very passionate about the fact that this issue needs to be dealt with and commends Labor on its initiative of trying to index pensions into the future.

Our disabled veterans have paid a very high price for their service to our country. Whilst the measures announced in this bill help restore some balance, they can only be effective if they include the measures recommended by this side of the House. This is about fixing an injustice. Labor has listened to our nation's veterans, and it is time the coalition did the same. I commend the bill to the House but, again, I urge the government to implement Labor's initiative for proper indexation of these pensions and to give these people the respect and income they deserve in the future.

Ms HALL (Shortland) (5.39 pm)—I would like to start my contribution to this debate on the Social Security and Veterans' Affairs Legislation Amendment (One-off Payments and Other 2007 Budget Measures) Bill 2007 by endorsing the comments of the previous speaker. In doing so, I recognise the fine contribution of all our veterans. I acknowledge the fact that this government has not treated them fairly and that the change that is in this legislation we are debating tonight is just a very small measure, a very small step towards what should be done for Australian veterans.

I would also like to acknowledge the work of the shadow minister and the proposal that he has put forward. I would like to state my full support for the policy and program that he has announced. It is only through full indexation that we will truly be looking after our disabled veterans—people who have been prepared to put their lives on the line for our country. But tonight I would like to direct my contributions to other areas of the debate, as the area of veterans has been so ably covered by the three previous speakers.

Firstly, I would like to say that the changes have my 100 per cent support. My only comment is: this is too little too late. And there are so many people out there who are hurting that the government should be condemned for allowing a situation to develop where we have a large number of people in our community who are going without on a daily basis, whilst they cynically come in, in the shadow of an election, and throw out one-off payments.

I do not want my words to speak for the hurt that is being felt in the community; rather, I thought I would allow the words of my constituents to say what has been happening to them and just how hard they are finding it. The letter that I am going to start with will demonstrate to the parliament very graphically just how important this \$500 will be to one pensioner in the electorate of Shortland. This constituent is a lady for whom I have written some letters in relation to the increased costs in the PBS, and she talks about new increases and cutbacks. I will come in on her letter at the point where she says:

... it is a sad, sick & sorry joke that we only receive \$500 per fortnight—which covers [prescriptions] & yesterday I had to pay \$26.40 for my fortnightly necessities—so little food till next pension day.

‘... so little food till next pension day’.

I had a fire in my flat (stove & range hood are to be replaced, thank the Lord), and this added to my stress—I am having counselling for shock, trauma, emotional exhaustion & “shot to smithereens nerves” ...

That is just a disgrace. She has been rejected by charities and she has been begging for money, just to pay for the necessities of daily life. No matter what she does, nothing seems to help. She says:

It is quite disgusting & deplorable that the Government have taken away our rights & not [given] us more money to meet our increasing costs as our pensions shrink—no integrity, diplomacy or dignity left & these ever increasing insults are totally unacceptable, “beyond the pale”, NOT Australian and leave everything to be desired.

She goes on a little more in her letter about her problems. She talks about how she has tried to secure food vouchers and how she is trying to manage to get her stove and other whitegoods fixed, and asks me to give her a contribution. And, of course, I will help her out. But I think it is very sad that, in our society, we have a situation where people are suffering in that way. She is just someone’s mum, an ordinary pensioner, who is doing it hard. And I know that she will really welcome the \$500 that she will be eligible for. But it should never have gone on that long. She should never have been in a situation where she was forced—forced—to write a begging letter like that to a member of parliament.

I have recently surveyed my electorate. What came out very clearly in those surveys was the battle that pensioners are having on a day-to-day basis to survive. The three most important issues relate to increased petrol prices—and the impact that has on their ability to survive—health and dental costs. In this particular survey my constituent said, ‘Pensions do not cover increases of daily living.’ The next one refers to the price of

petrol and how the price of everything in life is increasing. I have another one in which they refer to the impact that petrol prices have had on their ability to pay for things. This demonstrates how much this \$500 bonus is needed. I would now like to quote a pensioner in my electorate: 'I only go to doctors when it is absolutely urgent because I can't find the \$52 I need to pay the doctor.' Another one wrote, 'High price of fruit and vegetables—inflation rate is a joke.' Another constituent wrote: 'With two living on a pension'—and I think this is a very important comment—'it only takes one illness on top of a chronic illness to wreck the budget.' And from another constituent:

The pension will only stretch so far then savings and superannuation have to be used—once they have run out—who knows?

I will not read the next one because it is quite critical of the government, and I think I have adequately made my point. I wholeheartedly embrace the fact that money is going to our pensioners. But I do implore the government to be a little kinder, a little more aware that it is not only when an election is called but at all times that pensioners are doing it hard.

I am very pleased to see in this legislation that the government have rectified a problem that arose a few years back when they failed to pay \$25,000 to veterans who were prisoners of war in Europe during World War II, yet they paid \$25,000 to those veterans who were interred in Japanese prison camps. I think this rectifies a mistake that occurred back then. It caused great division within the veterans community. I support that inclusion in the budget.

One thing I am very upset about is that disability support pensioners have been ignored. To demonstrate the impact this has had, I would like to refer to three people who rang my office today. For the benefit of the Minister for Families, Community Services

and Indigenous Affairs, we have had a number of phone calls in our office today from people who are very disturbed about that. One young girl does some volunteer work in my office. She had a brain tumour and had it removed. She is quite disabled. She has a lovely personality and tries very hard. But she was so angry that she is not to be treated in the same way that aged pensioners and retirees are. She feels that her needs are just as great, and she feels that a stigma is attached to the fact that she is not being granted the same one-off payment that other pensioners are. The second person I would like to refer to is a man who rang my office. He was in tears. He cried to my staff member for four or five minutes. My staff member found it very difficult to handle. My constituent's parting comment was, 'What's the point in going on? I may as well top myself.' I am quite concerned about that person, and I am hopeful that I will be able to get in touch with him later tonight.

The government have ignored a group of people who probably have higher medical needs and higher expenses than ordinary pensioners and have refused to extend the one-off payment to them. I received another phone call in my office from a woman who asked us to send her a membership form to join the Labor Party. She was so upset that the government had decided that they would not extend the one-off payment to people on the disability support pension. Therefore, I have increased the number of branch members by one because of the government's inaction.

There is no way I will oppose this legislation. It contains too little, it has come too late, particularly in areas relating to veterans. I am pleased about the funeral benefit being increased. It has been an issue that veterans have been most concerned about for a period of time. But I implore the government to adopt the policy as outlined by the shadow

minister. It is a good policy and it recognises the needs of veterans. I hope the government finds a place in its heart to look after those people whom it has chosen to ignore in this budget. It should realise that there are many people who need the government's assistance, not just the ones it hopes to bribe on the eve of an election.

Mr BROUGH (Longman—Minister for Families, Community Services and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (5.51 pm)—I would like to thank all the members who have participated in the debate on the Veterans' Affairs Legislation Amendment (2007 Measures No. 1) Bill 2007, but quite frankly some of the comments that have just come from the other side are so disgraceful that they do not actually warrant being thanked. The fact is that not once in 13 years did the Labor Party pay a bonus to any pensioner. There was a good reason for that—because what they did was to actually mortgage the future of those same peoples' grandchildren and children. They asked them to pay for their wanton expenditure as an incompetent government and did not give them a damn cent. Yet the members of the opposition have the hide to come in here, one after another, and be so pious as to presume that this government somehow has left somebody out. I say to the member opposite: tell this to your constituents about disabilities—that I went to the ministerial council recently with all of the state and territory ministers and I put on the table this offer.

Ms Hall interjecting—

Mr BROUGH—You, Madam, should listen and take this back. What we offered—and what you, Madam, should tell your constituents—to the states was that the federal government, over and above—

Mr Bowen—Mr Deputy Speaker, I rise on a point of order. Remarks should be ad-

dressed through you not directly to the member.

The DEPUTY SPEAKER (Hon. AM Somlyay)—The minister will address his comments through the chair.

Ms Hall—Mr Deputy Speaker, I rise on a point of order. The minister should refer to a member by their electorate not by any other title.

Mr BROUGH—I say to the honourable member, and I mean this quite sincerely: would you please go back to your disabled constituent—

Mr Bowen—Mr Deputy Speaker, I rise on a point of order. The minister is clearly flouting your ruling.

The DEPUTY SPEAKER—There is no point of order.

Mr BROUGH—I say to the honourable member who sits opposite that, when negotiating the next five-year agreement with the states and territories about the Commonwealth-state disability agreement, I put it to the state and territory ministers that the Commonwealth would again enter into a five-year agreement with the same funding plus \$400 million indexation. Then, to meet the unmet need for supported accommodation and respite care, we asked each state and territory to come back to the Commonwealth with an individual plan to address the needs of people with disabilities. I said, 'Come back to us with a plan that will deliver places for supported accommodation and respite care and the Commonwealth will consider each of those plans on a dollar-for-dollar basis.' I put that directly to those ministers. What they did at that meeting was to adjourn the meeting, caucus outside for 10 minutes, come back inside, read a written statement and close the meeting without further comment. It was a reprehensible piece of behaviour by people who are supposed to be representing those people most vulnerable in our

community. Every single one of those people was a Labor minister. The offer we put was then put again in writing, asking the state and territory governments to bring a plan forward to the Commonwealth so that we could fund the need for supported accommodation.

Ms Hall—Mr Deputy Speaker, I rise on a point of order. Whilst I find what the minister has to say most interesting, I raise the point of relevance in relation to the legislation we are debating today.

The DEPUTY SPEAKER—The minister's contribution is relevant. There is no point of order.

Mr BROUGH—We are dealing with the issue of one-off payments to carers who look after people with disabilities. Given the comments of the honourable member opposite, this could not be more pertinent to the issue of helping people with disabilities—who have been totally neglected by state premiers and ministers. I wrote to each of the state ministers. Not one of them has responded. So I wrote again today to the state ministers and said, 'You have one month to put an offer on the table of how you will meet, as states and territories, the responsibility of providing respite care and supported accommodation for people with disabilities; and the Commonwealth will consider a dollar-for-dollar funding arrangement.'

The Commonwealth will not run away from the needs of people with disabilities. We will not hide behind the fact that the states have failed these people miserably; we will stand up for them. We should be trying to do this in a way which is bipartisan with state and territory governments. Minister Della Bosca wrote to some Liberal senators, and I got the letters. He said, 'Why doesn't the Commonwealth enter into a dollar-for-dollar arrangement like we did for young people in nursing homes.' That is the exact point I made to his disabilities minister. So

Minister Della Bosca from New South Wales, your own home state, agrees. All we want is for people to get on and actually do something positive. So can you please take that back? I would be delighted if you would.

The members opposite made a lot of the fact that pensioners do not have enough money. If it had not been for the Commonwealth introducing twice-yearly indexation and linking the aged pension to not only CPI but also wages, because wages have gone up 20 per cent under this government, pensioners today would be \$66.20 a fortnight worse off on the single rate. That is how much better they are off per fortnight on the single rate as a result of our decision to formally link it to 25 per cent of MATWE. The Labor Party never did that. We are providing not only those additional income streams every fortnight but also, because the economy has been run in a strong and responsible way and because we want people who are no longer in the workforce to be able to participate in the wealth of this nation, \$1,000 for couples and \$500 for individuals. Yet those opposite come in here and whinge. It did not happen in 13 years of Labor government. My bet is that, with their irresponsible way of running an economy, it would not happen if they were ever re-elected.

These measures today go to the heart of a compassionate government providing support when you can afford it directly to those who need it the most. For argument's sake, let us remember the \$25,000 one-off compensation payment paid to our civilian and war internees interned by enemy forces in Europe and our veterans who were prisoners of war. This followed on from the heartfelt and warmly appreciated \$25,000 paid previously to those who were POWs of the Japanese. You and I both know very well, because I know that both of our electorates have very large veterans communities, that this will be welcomed not only directly by

those individuals but also by the wider community. They know the pain that those people went through, and that pain and suffering has been recognised in this very practical way.

The one-off payments, as I have said, are responsible. They are responsible because it is money that the government has not had to borrow. Running a strong economy with two million more Australians in work, and therefore fewer outgoings in the form of welfare payments, and not having to pay \$8.5 billion in interest on accumulated debt that the lot opposite ran up when they were in government means that that is money you can return to people who need it. I know that many in my electorate and in the electorates of all honourable members, regardless of which side of the chamber they come from, will greatly appreciate these payments.

This bill also increases, through the Veterans' Entitlements Act 1986, the maximum amount of funeral benefit payable from \$1,000 to \$2,000. The doubling of that benefit will be a great comfort to, and the contribution to the funeral will be greatly appreciated by, family members. I applaud the Minister for Veterans' Affairs for the wonderful work that he has done since he has taken over this portfolio in being able to secure, through this budget, an intermediate rate disability payment in the Veterans' Entitlements Act—an increase of \$25 per fortnight—and an increase of \$50 per fortnight in the amount of the special rate disability pension. It will extend the maximum period for backdating of war widows or widower pensions from three to six months in certain circumstances, and the backdating rules will ensure that those dependants or veterans who are not automatically eligible for the war widows or widower pension are not financially disadvantaged during such a difficult time.

Carers really are the unsung heroes, and I am sure that is one thing both sides of this chamber will always agree on. Nothing cuts more to the quick, particularly when you sit and talk with older carers, than their fear of what will occur when they themselves are too frail and aged to look after their children. These people have given so much of their lives for the ones they care for—and they are only the older ones. There are also younger carers who have responsibility way beyond their years. We all applaud what they do. This is not, as some members so glibly put, something done in an election year. For the fourth consecutive year we have been in a position to be able to make a \$1,000 one-off payment for those receiving, on the 8 May, either a social security carer payment or a veterans carer service pension. Carers receiving the non-means-tested allowance in addition to either wife pension or veterans partner service pension will also get the \$1,000 one-off payment. Any carer receiving the carer allowance will be paid a separate \$600 one-off payment for all eligible care receivers.

I know from personal experience, from talking to these people, how much they appreciate that and I am just so pleased that the government has been in a position—because we have a strong economy and for the reasons we have outlined of people being back in work and not having to put this money into paying off debt—where those people will benefit. I hope that we are in a position in future years to be able to continue these measures so that the money can make a difference in being able to perhaps buy some little luxury or pay off some debt like the car repair bills that come in for people who do not have the capacity—because the love and compassion they have for those they care for does not give them the time to do so. That is what being in government is really all about. It is about having an economy that allows

you to deliver those dividends to everyone and to deliver them in such a way that people's lives can be improved. It is not just those in the workforce who get the tax cuts and the improvements in wage increases. Everyone in a just society gets to benefit.

Not only do I commend this bill to the House but also I appeal to all those opposite to talk to their state and territory colleagues and to listen to what the federal government has put on the table here—the offer to help people with disabilities in the most substantial way by giving us a plan on how to provide the right sort of supported accommodation and appropriate respite care. The Commonwealth has made a commitment straight to them, looking them in the eye and in writing, that we will consider each of those state plans on a dollar-for-dollar basis. The Commonwealth is very proud of what it has been able to do in this bill, which is a measure of the success of the nation. The provisions are greatly appreciated by those people who may not be able to directly contribute through the tax system any more or through their working lives but who have done so in the past and who have done so to the best of their ability. As a result, today they share in a successful economy, of which we should all be rightly proud. 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 BROUGH (Longman—Minister for Families, Community Services and Indigenous Affairs and Minister Assisting the Prime Minister for Indigenous Affairs) (6.05 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

SUPERANNUATION LAWS AMENDMENT (2007 BUDGET CO- CONTRIBUTION MEASURE) BILL 2007

Second Reading

Debate resumed.

Mr BOWEN (Prospect) (6.06 pm)—The Superannuation Laws Amendment (2007 Budget Co-contribution Measure) Bill 2007 seeks approval for a one-off additional government contribution to the superannuation accounts of those people who made eligible contributions in the 2005-06 income year, as announced in last night's budget. This legislation will effectively double the government contribution for those who have already made voluntary contributions in the 2005-06 financial year. The cost is estimated at \$1.1 billion, with most payments being made in this financial year at a cost of \$990 million. Labor is supporting this bill.

The co-contribution scheme grants a \$1.50 government contribution for a \$1.00 employee contribution, capped at a maximum government payment of \$1,500. The current scheme allows the maximum government co-contribution of \$1,500 to be paid up to the income threshold of \$28,000 and phasing down at a rate of 5c for every dollar of income above the threshold and then completely phasing out at \$58,000.

Up until 1987, the benefits of superannuation generally flowed to only 40 per cent of the workforce—in the main, middle- and high-income earners. The majority of low- to middle-income earners—often people in casual and part-time occupations such as retail, hospitality and transport, of which over 60 per cent were women—did not receive superannuation payments. It is one of the most abiding and proud achievements of the Hawke and Keating governments that that is no longer the case. Labor introduced a

compulsory superannuation scheme using the principle of basic fairness to spread superannuation coverage to all employees earning more than \$450 a month. This represents not just a critical social policy but also a very important economic policy. One of the biggest challenges that was facing this nation in the 1980s and 1990s was how to lift our savings rates, and the superannuation scheme was a huge addition to the national effort to do that.

Savings is no longer the issue that it was in the 1980s and 1990s. Today there is in excess of \$1 trillion in superannuation savings, which has been overwhelmingly driven by the Superannuation Guarantee—the reform of the last Labor government. The government now pretend to be friends of superannuation. They vigorously opposed these reforms at the time. They criticise us for opposing some of their measures and say that they supported all of our good reforms in the eighties and nineties. They supported some of them but they did not support superannuation.

The one-off increase in the legislation that we are discussing tonight does deserve some comment. The one-off increase represents a rebuff to my honourable friend the Assistant Treasurer, who in a splash—as I recall, it was a front page splash—in the *Australian* earlier in the year sought an ongoing expansion of the scheme for those up to 45 years of age. It was not a one-off payment but an ongoing expansion for many years to come—a major addition. This is not what we saw in the budget. The Assistant Treasurer, unfortunately, was clearly rebuffed in the Expenditure Review Committee.

The co-contribution scheme is supported by Labor and will be continued if Labor are successful in winning office later this year. We support any sensible and reasonable measure to increase the superannuation sav-

ings of Australians and, as such, we support this bill. However, there are a couple of inconsistencies that we feel duty bound to point out. Yesterday in the *Australian*, on the morning of the budget, there was a drop—a conveniently leaked article—which described the impending announcement as:

It is a way ... to help ... encourage younger people to invest in superannuation ...

Let us call this measure for what it is. This is an important addition to the superannuation savings of low-income earners. We accept that. That is why we are supporting it. But let us not pretend that it is something that it is not. Let us call it what it is. It is not an encouragement for people to put more money into superannuation. If that is what it is, it would be prospective not retrospective. We would be saying: 'If you put in more money in the coming financial year, we'll match it to a greater level than we have in the past. We'll double our matching.' But that is not what this is.

Mr Ciobo—Yes, it is.

Mr BOWEN—I look forward to hearing the honourable member for Moncrieff tell us how it is and why the Chief Executive of the Australian Superannuation Funds Association is wrong. Tell us why Philippa Smith is incorrect. I will not be able to stay in the chamber to hear it, but I will be listening in. Philippa Smith said:

There was disappointment because it was only a one-off for past contributions ... the budget had missed an opportunity to change savings behaviour.

Further, she said:

This initiative rewards individuals who accessed the co-contribution a year ago, but it is difficult to see how it will encourage younger people to invest in their retirement future going forward.

I am sure the honourable member for Moncrieff will take up a substantial part of his 20 minutes explaining why the Australian Su-

perannuation Funds Association is wrong. I am sure that we will see the headlines in the *Australian* tomorrow: 'Ciobo attacks Smith'. It is not the member for Perth—and what is Tony's seat?

Mr Ciobo—Casey.

Mr BOWEN—and not the member for Casey. It is Philippa Smith, from the Australian Superannuation Funds Association. We are prepared to support this legislation. It adds to the savings of low- and middle-income earners—and that is a good thing. We are prepared, as a responsible opposition, to say when the government does a good thing. We are prepared to say that we will support this bill and vote for it. But let us not pretend and let us not get high and mighty and say that this is a great reform which is encouraging more savings when it is not. It is an addition to savings that have already been made and, on that basis, we will support it.

Mr CIOBO (Moncrieff) (6.12 pm)—I am very pleased to add my support to the Superannuation Laws Amendment (2007 Budget Co-contribution Measure) Bill 2007 and to address the previous speaker's comments. This is an important bill. It is one day after the introduction of the budget and the government is already delivering on its promises. Last evening the Treasurer spoke of the importance of making sure that younger generations of Australians in particular are incentivised to provide for their retirement. We know that we have an ageing population in Australia. We know in Australia, as in many other Western democracies around the world, that those aged 65 and over will represent an increasingly larger percentage of our total population base. One of the most fundamental things that the government can do to address the ageing of the population is to ensure that, as much as possible, it encourages Australians to provide for their retirement.

One key way in which the Howard government and particularly the Treasurer, Peter Costello, have done this is through the government's co-contribution scheme for superannuation contributions. Australia is regarded as having one of the finest superannuation and savings systems in the world. I am even happy to pay credit to the Australian Labor Party for the introduction of compulsory superannuation. They had the idea and it was supported by us when we were in opposition. The coalition supported the idea because we saw it as a beneficial reform. So I am happy to acknowledge that the Australian Labor Party started this process.

What we have in Australia is a situation whereby we have been facilitating, over a number of years now, the increasing transfer of wealth into people's retirement savings accounts in the form of superannuation. And that is a very good thing because, as the population ages, we will increasingly see the need for Australians to draw down, in terms of an annuity, a lump sum payment or something like that—either of the two or some combination thereof—their retirement savings. The simple fact is that, with an ageing population, the more we can encourage people to provide for their retirement, the better off the nation will be. The co-contribution is one very meaningful and important initiative of this government that has helped to facilitate people to place money into their retirement savings accounts to provide for their retirements so that they are not all drawing on the public purse.

What we know is that, as the Australian population ages, and as the percentage of those aged 65 and over grows, there will become a bigger draw-down on the public purse. And with more people moving into retirement, and more people drawing down on the public purse, there will be fewer people in the labour force who will be paying the taxes that will be used to fund the draw-

down. That really, in essence, is the reason we need to incentivise and encourage people to provide for their retirements.

The co-contribution—as I mentioned, an initiative of Peter Costello and this government—is particularly targeted at rewarding the effort of lower and middle income Australians in providing for their retirements. We did say that we took the initiative to introduce the co-contribution because we particularly wanted those on lower and middle incomes to make sure that they are also recognising the power of compound interest and recognising the power that comes from them providing for their retirements in a more meaningful way. Certainly, a nine per cent contribution, at the minimum level, is a start, but it is not enough.

Mr Deputy Speaker Somlyay, I acknowledge that you and I sit on the House of Representatives Economics Committee, which undertook an inquiry into the superannuation savings of generations X and Y. As I am sure you would be aware, Mr Deputy Speaker, we found that there does need to be incentive. A payment like this is particularly important as well for women, because a large number of Australian women transition into and out of the Australian workforce. Particularly at those times when, for example, many would choose to stay at home to raise a family and not be in paid employment, the co-contribution does play an important role in helping to boost the superannuation savings—especially for women, for example, who may be undertaking part-time work. It is for that reason that this is a very good initiative and one that I am very pleased to support.

The bill that is moving through the House this evening, which I am certain will be passed given that the opposition is also supporting it, recognising it to be a very good decision by this government—I am sure that

is why the opposition is supporting it—will ensure that we top up superannuation savings that are being made. So, for those people who have already made a voluntary contribution to their superannuation, and received a \$1,500 top-up from the Australian government, this bill will ensure that they receive an additional \$1,500 on top of that again. That means that, for the \$1,000 they have invested, they are receiving a \$3,000 top-up from the Australian government. That clearly is an incentive to make voluntary contributions. It is that simple: if you receive a return of three to one then that is an incentive to be doing what you are doing. Whether it is prospective or retrospective is really neither here nor there. The fact is that those who have taken advantage of the co-contribution stand to gain the most. This additional \$1,500 top-up that can be received will go a long way to ensuring that there is more money in the accounts of those Australians, especially lower and middle income earning Australians, who have made the decision to voluntarily make contributions towards their superannuation. This comes at a cost of some \$1.1 billion. That is for the time frame specified, which was for the last financial year.

I listened with great interest to the Australian Labor Party, because what I heard from the shadow parliamentary secretary was that in fact more should have been done. I heard the shadow parliamentary secretary. Basically, if you read between the lines of what he said, his statement was that this is a good idea, and that is why the Australian Labor Party is supporting it, but we should have made it prospective, we should be ensuring that it is a three to one contribution for all the years in the forward estimates. This is again the problem that we have with the Australian Labor Party. We recognise that this is a good contribution. We recognise that it creates incentive. That is why the Australian Labor Party says there should be even more of it.

But the problem we have as a government is that we are fiscally disciplined. If there is one fault that we have as a government it is that we are fiscally disciplined and we make tough decisions about what is good, what is achievable, what is affordable and what is sustainable. This \$1.1 billion that the government is pouring in to help these lower and middle income earning Australians will pay big dividends for those people, especially those at the lower end of the age spectrum, who have made contributions—big dividends indeed, when it comes to their retirements.

The Australian Labor Party, I take it from the comments of the shadow parliamentary secretary, is obviously of the view that its policy will be for there to be a three-to-one ratio going forward. I take it that is the Labor Party's position. I take it that the Labor Party's position—perhaps the policy that is being announced by Labor—is for there to be a three-to-one contribution from this point forward. I look forward, if that is what the Labor Party is going to do, to seeing that announcement. But I suspect that that is not actually the Labor Party's policy. It is just another case, like the hollow drum beating, of the Australian Labor Party banging on and basically saying that we should have done more. We have done a lot—we have now tipped in another \$1.1 billion—but the Labor Party still says, 'You should've done more.' I look forward to seeing the Labor Party's announcement of policy. I look forward to hearing that the Labor Party's co-contribution will in fact be \$3 on a prospective basis. I am sure many people would be interested in a policy like that. It is just a case, of course, of these things being costed.

I am proud to be part of a government that has done more for Australian superannuation than any other government. And it is not just the co-contribution that I am referring to now; it is the fact that this government, in

last year's budget, introduced the simplified superannuation reforms. These simplified superannuation reforms, which the Australian Labor Party took nearly six months to agree to, will make a very big difference. The abolition of tax on withdrawals from a superannuation fund means so much to Australians that it is extraordinary to think that the Australian Labor Party would have taken nearly six months to agree.

I note that the Assistant Treasurer is walking into the chamber. I know he worked tirelessly for months to try to get the Australian Labor Party on board with this government's reforms. I know the Assistant Treasurer kept as much pressure as he possibly could on the Australian Labor Party, who dragged their feet every step of the way before finally, after about six months, agreeing to support this government's very sound, reasonable, wise and sustainable reforms that made superannuation exceptionally simplified and, most importantly, delivered in spades to the Australian people.

I have to say that for my constituents on the Gold Coast the simplified superannuation reforms were welcomed with open arms. They knew these were vital reforms. They welcomed them. It was music to their ears, as this government provided further incentives for Australians to ensure that they provided for their superannuation. Like many of my constituents I was very disappointed that the Australian Labor Party took six months to agree to these very sound proposals. I am very pleased that they may have learned a lesson from that. And I am pleased that within a day of the budget being announced they are now on board with this additional co-contribution that the government has announced. I commend the bill to the House in a resounding way.

Mr BRENDAN O'CONNOR (Gorton) (6.24 pm)—Can I firstly correct the com-

ments made by the member for Moncrieff with respect to his reference to the previous speaker, the member for Prospect. The member for Prospect is the shadow Assistant Treasurer. I am sure he will want to take that up with the member for Moncrieff at a later date.

I also indicate to the member for Moncrieff and the House that Labor's concerns about the policy being retrospective rather than prospective is an issue. You cannot suggest, as the government is suggesting, that there is an incentive to encourage younger people to invest in superannuation if the amount is paid after the investment has already been made. Therefore, it is wrong to say that the one-off payments made already in 2005-06 will encourage young people to save. It would make more sense to say to young people, 'If you make a voluntary contribution from a certain date then we will match this.' This would then be classified as an incentive, as you would be encouraging bonuses for extra contributions made in the future. But the government has chosen to give the bonus payment for contributions already made. There were a number of concerns I had with the contribution by the member for Moncrieff. The two I have already mentioned are axiomatic, wrong statements, and I thought I would correct them for his benefit.

I also say to the House that we support the Superannuation Laws Amendment (2007 Budget Co-contribution Measure) Bill 2007. It is a bill that provides a one-off additional government co-contribution into the superannuation accounts of those people who made eligible contributions in 2005-06. We support, in principle, the co-contribution. The legislation will effectively double the government's co-contribution for those who have already made voluntary contributions in the 2005-06 year.

I will just reiterate the co-contribution scheme. The scheme grants a \$1.50 government contribution for a \$1 employee voluntary contribution, capped at a maximum government payment of \$1,500. The current scheme allows a maximum government co-contribution of \$1,500 to be paid up to the income threshold of \$28,000, phasing down at a rate of 5c for every dollar of income above the threshold and completely phasing out at \$58,000 per annum.

The original policy of co-contribution was announced by the then Keating Labor government in 1995. It was to be a compulsory three per cent government scheme for all employees, phased in between 1996 and 2002, delivering an extra \$4.6 billion per year—in 1996-dollar values—when fully implemented. It was to build on Labor's compulsory nine per cent superannuation guarantee, initially introduced at three per cent in 1987. Twenty years ago, almost to the day, a Labor government introduced compulsory superannuation into this country and was opposed by the coalition. We understand that the coalition parties supported the principle of super, but they did not support the legislation that was proposed by the then government to ensure that lower- and middle-income families had proper retirement savings. Indeed, there has been resistance by government with respect to superannuation for many a year. Indeed, the Prime Minister, when he was Treasurer in the 1970s and 1980s, did not support a scheme that would provide superannuation to employees. There was no suggestion by any coalition government preceding the Hawke-Keating government that there would be superannuation, and there was resistance by those parties, in opposition, to Keating's proposal to introduce superannuation.

If we are going to consider the superannuation scheme and some of the add-ons that the government suggests—and which Labor

supports—we should put the superannuation debate in context and remind the government and the people of Australia that it was a Labor government that introduced the super scheme, with resistance from coalition parties. Indeed, it is such good public policy to ensure that low- and middle-income families are able to secure their retirement that it is difficult, even for a government that opposes such policies, to change. So it is not surprising that, along with Medicare, the compulsory superannuation scheme introduced by Labor governments preceding the Howard government's election in 1996, have not been altered adversely to affect low- and middle-income families. But there is no doubt that that government has failed to continue providing a contribution that will ensure the security of low- and middle-income families in Australia. There has been no support for the initial scheme to have a 15 per cent contribution that would provide the security for low- and middle-income families in Australia. That is a personal disappointment; I supported the scheme that was put together.

I think people should remember how that came about. I think people are quite ready to forget, if they are not reminded, how superannuation came about in this country. It certainly was not initiated by the mob on the other side. Indeed, there was resistance by the coalition parties at the time. Let us remember that the first compulsory contribution component was introduced in 1987 by the Keating government in consultation with industry and unions. As the government likes to remind us, there were occasions in which wages were suspended or suppressed to ensure that other benefits would flow on to working families and the nation as a whole.

Recalling the 1987 legislation, we should be reminded that people forwent a wage increase to commence the first stages of what has become one of the most amazing national retirement schemes in the world. In

December last year the amount of money that Australians invested in superannuation passed the \$1 trillion mark. That is \$1,000 billion under super funds management, or \$50,000 for every man, woman and child in this country. Whilst we support the add-on that has occurred today, it is important to place this debate in the context of the fact that, without some bold initiatives by a forward-thinking government, this scheme would not be there to add on to. If we had had to wait for the Prime Minister when he was Treasurer in the eighties or if we had listened to the opposition during the Hawke-Keating period there would not be this national retirement scheme.

It is also important to note that this scheme has ensured more security for low- and middle-income families in this nation as a result of the benefits of the funds. Looking at why there has been 15 years of consecutive economic growth, the trillion dollars amassed by super funds has underpinned such economic prosperity. We should note that it fuels the stock market, it encourages business investment and it builds on an unprecedented bank of national savings. Along the way it has potentially transformed retirement for cashed-up baby boomers, shifting reliance away from the age pension and providing higher living standards. Those things should be remembered when we debate this bill. This bill is just a brick that has been put on top of the Empire State Building. It is not a major reform, but we do support it. It will actually provide some benefit to young people and people who have already placed money into superannuation funds, but I think it is important to place the debate in the context of why we have such a good national retirement scheme.

I also want to place on the record what Australia was like in the late eighties, when we did not have this scheme to reform. As the member for Prospect indicated, the ma-

jority of workers did not receive superannuation. My parents and many of their friends were not in a superannuation scheme. They did not work in the public sector; they were not managers or working in senior positions. Whilst in the factories in which they worked their senior managers would have been in receipt of superannuation, in that period my parents and others like them were not in receipt of any superannuation benefit. It is such a critical issue for low- and middle-income families because they do not always have the capacity to save in the way in which higher income families do; they do not have the wherewithal to put away a lot of money because they are expending it on goods and services required for their families. They are not in the position that higher income earners are. People in the eighties were looking for schemes that would provide them future assistance. Unfortunately for my parents and people of that age, they probably did not benefit as much as those who have come after them. Those people born in the late forties, the fifties and the sixties have been greater beneficiaries of the reforms of the superannuation scheme in the Hawke-Keating period. I am glad to see that this government has realised it is a scheme worth amending, reforming and improving wherever it can.

But I am concerned, and I am sure Labor is concerned, that we did not go further with the nine per cent. Whilst these one-off payments can, if the money is given after the investment is made, create an incentive for people to invest in their retirement savings, whilst these one-off payments are okay and whilst these co-contribution efforts have increased the likelihood of people saving, which I think is a good thing, it is a shame we have not gone beyond the nine per cent since it was promised in 1995. It was something that we should have proceeded with as a nation, but we failed to do so. Having said

that, it is a remarkable thing that we now find ourselves with more than \$1,000 billion dollars in our national retirement savings scheme.

It is important to note that the effort today is a rather meagre one in the context of the entire area of superannuation, but it is supported by Labor. It will benefit a significant number of people, but I think the government could have gone further in tackling it since its election to its first term in 1996. I do not think the government was ideologically predisposed to support a compulsory superannuation scheme. That is unfortunate, because we would have found many more millions of Australians better off had the government chosen to continue on with the good work of the Hawke and Keating governments, which created this scheme in the first place.

I would also like to reinforce the concerns that were expressed by the Chief Executive Officer of the Association of Superannuation Funds of Australia, Ms Philippa Smith, who stated, 'There was disappointment because it was only a one-off for past contributions'—as I have already indicated, the concern that it was not really creating a genuine incentive. Indeed, she went on to say that 'the budget had missed an opportunity to change savings behaviour'. I think those comments are apt. It is a bill that we can support, but it is not bold. It does not deliver what it really should be delivering. In the end, it is something that Labor will support, but Labor just thinks it falls short of the mark of what is required for our superannuation scheme in this country.

Mr DUTTON (Dickson—Minister for Revenue and Assistant Treasurer) (6.38 pm)—in reply—I would like to thank all of the members who have taken part in the debate on the Superannuation Laws Amendment (2007 Budget Co-contribution Measure) Bill 2007. This bill will further boost

superannuation savings by doubling the government superannuation co-contribution payable to low- and middle- income earners in respect of eligible contributions made in the 2005-06 year—for example, if a person was otherwise eligible for a co-contribution of \$1,500 for the 2005-06 year, they will now receive an extra co-contribution of \$1,500 so that the total contribution for that year would be \$3,000. This rewards eligible low- to middle-income Australians who have saved for their retirement and builds on the already successful government co-contribution scheme and the significant improvements to superannuation that the government has made through the recent simplified superannuation reforms.

This government introduced the co-contribution scheme in 2003-04. It then increased the co-contribution from \$1 to \$1.50 in 2004-05 and raised the upper income threshold from \$40,000 to \$58,000. From 1 July 2007, eligibility for the co-contribution scheme will be extended to the self-employed, and the income thresholds will be indexed each year in line with growth in wages. Over 2.7 million co-contribution payments worth approximately \$2 billion have already been paid under the scheme. This measure will increase payments under this scheme to \$3.1 billion.

The only way that this government has been able to afford such a generous scheme to provide support to low- and middle-income earners is because it has run a successful economy. This policy would never have been contemplated by the Labor Party, because during their term in government they ran up \$96 billion of debt and required \$8½ billion a year to service that debt. If a government is servicing \$8½ billion in interest payments each year, it could never contemplate providing support to lower income earners with this sort of policy.

The co-contribution scheme builds, as I said earlier, on the superannuation reforms that we announced in the last budget and that we have built on since that time. It will set up the next generation, those people who will be facing the threats of the ageing of the population in this nation, and it will provide people with a greater capacity to enjoy a better lifestyle in retirement. It will provide them with an opportunity also to be supported by the taxpayer, if they have not saved enough through their superannuation, through the age pension system. But this is a system which has worked well. It is only affordable because of the good economic management of the Howard government. It only remains affordable whilst the economy is well managed. The system, like most in this place, would be under threat if the Labor Party were to be returned to power, because they do not have the skills to run a trillion-dollar economy.

In closing, can I just provide by way of example two or three electorates where this has provided real outcomes to low- and middle-income earners. I will start with the wonderful electorate of Dickson in the state of Queensland. In that electorate, there are 9,537 low- and middle-income earners who stand to benefit from this measure—those people who would not otherwise have had an opportunity to accumulate and to compound this money to help them in their retirement. The second one which I think is also relevant as part of today's debate is the electorate of the member for Griffith, where 9,849 low- and middle-income earners will benefit from the measure. In the electorate of the member for Lilley, there are 12,154 low- and middle-income earners. It should be the responsibility of the member for Lilley and the member for Griffith to explain to their respective electorates why the Labor Party would have no hope of continuing this policy in government—because they would again not be in a

position economically to afford such a policy to help low- and middle-income earners retire more comfortably than they otherwise would be able to. 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 DUTTON (Dickson—Minister for Revenue and Assistant Treasurer) (6.43 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

GREAT BARRIER REEF MARINE PARK AMENDMENT BILL 2007

Second Reading

Debate resumed.

The DEPUTY SPEAKER (Hon. IR Causley)—The original question was that this bill be now read a second time. To this the honourable member for Kingsford Smith has moved as an amendment that all words after ‘That’ be omitted with a view to substituting other words. The question now is that the words proposed to be omitted stand part of the question.

Dr SOUTHCOTT (Boothby) (6.44 pm)—Since the election of the Howard government, protected zones within the Great Barrier Reef Marine Park have increased from 4½ per cent of the marine park to one-third of it, adding almost 5,000 square kilometres of protected areas. To do this required management of all the different stakeholders, considering their points of view and supporting fishermen and others who rely on the marine area for their income with a comprehensive and uncapped structural adjustment package. There is still more to be done, with

a reef water quality action plan currently being implemented. In last night’s budget speech the Treasurer announced that another \$14.2 million over four years from the Natural Heritage Trust would be used to comprehensively monitor and report on the water quality and ecosystem health of the Great Barrier Reef Lagoon. The aim is to address one of the biggest current threats to reef health—the run-off of sediment and other undesirable nutrients into the reef lagoons.

As I have mentioned, there are many considerations that must be made when examining the future of the reef. The Great Barrier Reef Marine Park Amendment Bill 2007 has been introduced by the Minister for the Environment and Water Resources for the purpose of amending the Great Barrier Reef Marine Park Act 1975 to include recommendations made in the 2006 review of the Great Barrier Reef Marine Park Authority. The authority was set up with specific responsibilities to protect the marine park while considering the interests that compete for how the park should be utilised. In particular, a primary function of the authority is to provide recommendations on declaring areas for inclusion in the marine park and for what uses these should be zoned. It also serves a further purpose in managing and promoting Commonwealth-state relations and assisting co-operative arrangements for the environmental management of the Great Barrier Reef region.

Some of the key amendments being introduced in this bill will serve to carefully examine the effects of any draft zoning plan through the preparation of a report on the environmental, economic and social values of the area with which the plan is concerned; increase from one month to three months the minimum amount of time for the acceptance of public comment on draft zoning plans; and repeal section 37 of the act, in response to one of the recommendations of the 2006

review. The proposed amendment to section 37 will ensure that any zoning plan cannot be amended for at least seven years and that a report on the progress of the plan must be tabled every five years. This will ensure that the benefits of zoning accrue, provide a suitable period for the ecosystem to flourish and give certainty to businesses to adapt to the requirements.

But the government is also aware that maintaining and protecting the environment is not just a local issue. The effect that coral bleaching disease is having on some of the healthiest reefs within the marine park has long been a concern for researchers. Just yesterday, researchers suggested that rising ocean temperatures may be a driver of disease outbreaks on the Great Barrier Reef. This highlights the need for broad thinking—the need to think globally in order to address a national concern. As a nation, Australia contributes only 1.46 per cent of global greenhouse gas emissions. While there is much that can be done to cut our contribution, we will achieve far more through cooperative projects with other nations in our region. One example is the Asia-Pacific partnership for clean technology and development. Another solution is the Global Initiative on Forests and Climate. The government will provide almost \$200 million to look at reforestation in South-East Asia. This is an initiative that Australia is leading. The Howard government recognises that greenhouse gas emissions and climate change are serious issues which require a whole range of practical responses and cannot be properly addressed without the cooperation of our neighbours.

This government has invested billions of dollars in environmental programs and research, and the evidence shows that this is a sound investment in our nation's future. By 2010 the greenhouse gas emissions from deforestation will be 45 per cent of their 1990

levels. Further, since 1990 more than 1.1 million hectares of new forests have been planted, with the expected result being that 21 million tonnes of carbon dioxide will be removed from the atmosphere each year by 2010. Over the last 10 years, \$2 billion has been spent to combat climate change. This will see Australia being able to meet or, in fact, better the greenhouse targets set out in the Kyoto protocol, as recently outlined by the Minister for the Environment and Heritage.

Much has been made over this government's decision not to ratify Kyoto, but our long-held view that climate change must be treated as a global challenge incorporating the world's biggest greenhouse gas emitters has been supported by the findings of the latest report by the Intergovernmental Panel on Climate Change, which was released last Friday. The government understands the need to find a balance between environmental management and economic concerns. We have demonstrated this with our course of action to deal with climate change and with the Great Barrier Reef Marine Park Amendment Bill 2007. We have sought to implement changes recommended by the 2006 review and to ensure the responsible management and conservation of one of the world's greatest marine parks.

The Great Barrier Reef is an Australian icon. It was listed as a World Heritage Area by the Fraser government in 1981. It contributes something like \$5 billion to the tourism industry and it is a resource for all Australians. I commend the bill to the House.

Mr ALBANESE (Grayndler) (6.50 pm)—I rise to speak on the Great Barrier Reef Marine Park Amendment Bill 2007. Members of the House would know that I have a long-held interest in the protection and conservation of the Great Barrier Reef—a true Australian treasure and icon. It is this interest

that drives me to make one critical point: no number of amendments to legislation that impacts on the Great Barrier Reef will save this national treasure without immediate action by the federal government on climate change. While we have inaction, there will be no saving the Great Barrier Reef. There is ample evidence to show that rising global water temperatures are increasing the incidence of bleaching events and coral diseases. The IPCC was clear in its conclusion that rising temperatures are linked to greenhouse gases being pumped into the atmosphere by human activity. In its Fourth Assessment Report, released in April, the IPCC stated:

Significant loss of biodiversity is projected to occur by 2020 in some ecologically-rich sites, including the Great Barrier Reef and Queensland Wet Tropics

Ongoing coastal development and population growth in areas such as Cairns and south-east Queensland (Australia) and Northland to Bay of Plenty (New Zealand), are projected to exacerbate risks from sea level rise and increases in the severity and frequency of storms and coastal flooding by 2050.

If we do not significantly reduce our greenhouse output, we could see the complete collapse of the reef in our lifetime. The evidence is abundant but so are the Howard government climate change sceptics and climate change apologists. We have just heard from one, who stated that Australia was on track to meet our Kyoto protocol target. Firstly, it is unlikely that Australia will meet our generous target. Secondly, the people who say that never acknowledge that in fact Australia is one of only three countries throughout the world that were given a generous figure, increasing their greenhouse gas emissions based on 1990 levels. If you take away the decisions by the Queensland and New South Wales governments to end broad-scale land clearing, you see our greenhouse gas emissions have spiralled, increasing by

over 20 per cent since 1990. Our greenhouse gas emissions are on track, according to the government's own figures, to increase substantially up to the year 2020. The government conveniently ignores the fact that it signed the Kyoto protocol because it had such a generous target and said that it would be, to quote the Prime Minister, 'a win for the environment and a win for Australian jobs'.

Australia only retreated from that position—and joined with the United States in isolating ourselves from global action—after the United States made that decision. By Australia being outside of the global system, we do not have a say at the table in the post-2012 system. I have attended the last two UN framework convention conferences which have been held in conjunction with the first and seventh international conferences of the parties to the Kyoto protocol, in Montreal and Nairobi. At those conferences Australia does not get a say in the very significant meetings taking place regarding the structure and scope of the second commitment period of the Kyoto protocol for post-2012. That is going to be a critical agreement as to whether the world can agree that we need to reduce our greenhouse gas emissions as individuals, as communities, as nations and as a global community. The structure which drives that change is the Kyoto protocol. The embarrassing performances by the Minister for the Environment and Water Resources in describing Australia as a global leader is extraordinary, to say the least, and offensive to many, because the evidence that we need to take action is there. The evidence is also there that it is not a case of whether you put the environment or the economy first. It is the case that in order to sustain our economic prosperity we must have a sustainable environment and we must take action on climate change.

Just this week further research conducted by an international team of scientists—from the University of North Carolina, the Australian Research Council Centre of Excellence for Coral Reef Studies, James Cook University and the Australian Institute of Marine Science—who are working on Australia's Great Barrier Reef has revealed a 'highly significant relationship', to quote their report, between coral disease and warmer ocean temperatures. The researchers state their results suggest that climate change could be increasing the severity of disease in the ocean, leading to a decline in the health of marine ecosystems and the loss of the resources and services that humans derive from them. The Great Barrier Reef is estimated to contribute \$5.4 billion and 68,000 local jobs to the Australian economy. Worldwide, coral reefs support more than 200 million people. The evidence is overwhelming, yet the federal government's response is underwhelming. For more than 11 long years the Howard government has been complacent and has comfortably sat back and watched while the Great Barrier Reef has been threatened. It has done that because of an ideological view that is based upon scepticism as to whether climate change is indeed human induced.

Consider the best-case scenario which has been outlined in many reports. In February 2006, the CSIRO report *Climate change impacts on Australia and the benefits of early action to reduce global greenhouse gas emissions* highlighted that, even if all greenhouse gas emissions ceased today, the earth would still be committed to an additional warming of between 0.2 and one degree Celsius by the end of the century. The current momentum of the world's fossil fuel economy precludes the elimination of greenhouse gas emissions over the near term. So it is clear that future global warming is likely to be well over one degree Celsius. Left unchecked, human

greenhouse gas emissions will increase several-fold over the 21st century. The CSIRO report states that Australia's annual average temperatures are projected to increase by between 0.4 and two degrees Celsius above 1990 levels by the year 2030 and by between one degree and six degrees Celsius by 2070. However, if we limit future increases in atmospheric CO₂ to 550 parts per million, we would reduce 21st century global warming to an estimated 1.5 to 2.9 degrees Celsius. This would effectively avoid the more extreme climate changes.

It is widely accepted that a target of a 60 per cent reduction in greenhouse gas emissions by 2050 is required to stabilise CO₂ emissions to 550 parts per million. In Australia we have a government that refuses to engage in discussion about greenhouse gas emissions targets. What does this scepticism mean for the Great Barrier Reef? Even in a best-case scenario that we can limit CO₂ to 550 parts per million, the consequences are devastating. A less than one degree Celsius rise in temperature would mean that 60 per cent of the Great Barrier Reef could be regularly bleached. A one-degree or two-degrees temperature rise would mean 58 to 81 per cent of the Great Barrier Reef is bleached every year and a two- to three-degrees temperature rise would mean that 97 per cent of the Great Barrier Reef would be bleached every year. We need a plan to address these issues, we need targets for greenhouse gas emission reductions and we need the economic instruments that would drive the move to clean energy, which is why we need a national emissions trading scheme. We need bold energy initiatives such as those proposed by Labor's solar, green energy and water renovations plan for Australian households that will save families money on their energy and water bills and help the environment. We need to ratify the Kyoto protocol.

We need a substantial increase in our mandatory renewable energy target.

Unfortunately, climate change is not the only threat to the health and long-term survival of the Great Barrier Reef. It is difficult to believe that oil drilling and exploration can still occur on or near the reef. I have introduced a private member's bill that is still on the *Notice Paper* that would stop this occurring. My colleague the member for Kingsford Smith has moved an amendment seeking support for the Great Barrier Reef Marine Park (Protecting the Great Barrier Reef from Oil Drilling and Exploration) Amendment Bill. It was 1983 when the Hawke Labor government acted to prohibit drilling anywhere in the Great Barrier Reef region by extending the borders of that region east to Australia's exclusive economic zone. Our legislation would remove the threat posed by exploration and mining both on and near the reef. The Howard government has never ruled out oil drilling east of the Great Barrier Reef Marine Park, the very area our bill seeks to protect. If the Howard government is serious about protecting the reef, it will support the passage of Labor's bill through the parliament. This bill would protect not only the reef's extraordinarily diverse ecosystem but also the livelihoods of 200,000 Queenslanders and a tourism industry worth billions of dollars annually.

Rather than take practical and long-term action against climate change, the Howard government entertains absurd ideas to protect the Great Barrier Reef. In the collection of absurd ideas, perhaps the worst was the plan of the Minister for Small Business and Tourism to put a shadecloth over the Great Barrier Reef—a bizarre and impractical proposition from a government looking for political cover to hide the fact that it has no plan to tackle climate change. We need to reduce our greenhouse pollution, not publicly brainstorm absurd ideas. The minister, Fran Bai-

ley, was topped on this proposal by the member for Tangney who wants to put a shadecloth in outer space to combat global warming. Dr Jensen, the member for Tangney, said in the Commonwealth of Australia parliament:

After all, we have heard about aerosols and global dimming. Or what about some sort of shadecloth put in orbit? In that way we could actually tailor the area of the shadecloth and adjust it according to the energy balance.

A completely whacky proposal from a government member who is one of the people always put up to debate climate change in this House. One of the government's key climate change experts is the member for Tangney, who supports putting a shadecloth into orbit along with putting nuclear reactors all around the coast of Australia—an absolutely extraordinary proposal. Whilst the member for Tangney calls himself a scientist, the plan for a giant intergalactic shadecloth in outer space does not constitute serious scientific discussion on climate change. When you look at the government's spokespeople—the member for Tangney with his outer space shadecloth; the minister for tourism, a frontbencher, with her plan for a shadecloth to protect the Great Barrier Reef; and a Prime Minister who does not think that climate change exists and is sceptical but still wants to impose 25 nuclear reactors on the coastal areas and urban communities of Australia—it is little wonder that you see this government has no credibility when it comes to climate change.

It keeps going right to the top of this government, because a couple of weeks ago the Prime Minister opened—well, he did not quite open it because it has been shut down—the new Lucas Heights reactor in Sydney. They went ahead with the grand opening anyway, because the Prime Minister wanted to promote and use what is a medical research facility that has broad support to

promote his narrow agenda on nuclear reactors. There, at the opening, the Prime Minister said that the Lucas Heights reactor was an 'Australian icon'—an icon, along with the Harbour Bridge and the Opera House. This was the third Sydney icon—not the Rocks, not the Blue Mountains, not Bondi Beach and the pavilion, not Balmoral, not Taronga Park Zoo, not all these great Sydney icons; this was the icon. Well, I say to the Prime Minister: 'We do have an icon, in Far North Queensland, and that is the Great Barrier Reef'—the largest, most pristine, continuous coral reef archipelago on earth; our treasured natural icon, which is some 18 million years old. And it is astonishing that the government still has not placed the Great Barrier Reef on Australia's National Heritage List. The Prime Minister's scepticism is getting in the way of good policy.

I conclude with this point: we do need to protect the Great Barrier Reef. I want future generations to have the opportunity that I have had to see this marvellous natural wonder. I also want the economic benefit that comes through jobs, and income to Australia, as a result of the Great Barrier Reef's presence. But unless we have action on climate change we will not be able to save the Great Barrier Reef. That is a practical demonstration of why we need to move away from this government's scepticism and have a government, one led by Kevin Rudd, which actually understands that climate change is a great challenge for our generation, and is prepared to do something about it—is prepared to take the action that is required.

Mr MURPHY (Lowe) (7.09 pm)—The Great Barrier Reef Marine Park Act 1975, which the Great Barrier Reef Marine Park Amendment Bill 2007 amends, has served its purpose extremely well, and remains a fundamentally sound piece of legislation. At the time of its enactment, the government of the day stated, 'The protection of our unique

barrier reef is of paramount importance to Australia and to the world.' Like any other good piece of legislation, the Great Barrier Reef Marine Park Act 1975 has, over time, been successful at giving effect to the public policy considerations underpinning it. We need not look any further for evidence of this than the many achievements of the Great Barrier Reef Marine Park Authority and the international recognition, in 1981, of the conservation value of the Great Barrier Reef following its inscription on the World Heritage List.

There can be no doubt that the act has stood the test of time as an exemplary defender of marine management and conservation. Nonetheless, the act has now been in place for over 30 years and many lessons have been learnt from the challenges of the past. The manifest integrity of the act—and the general acceptance of that integrity by the stakeholders which it serves—is essential if the act is to have any hope of safeguarding the interests of the Great Barrier Reef well into the future.

The report of the review of the Great Barrier Reef Marine Park Act 1975 identified numerous concerns about the inadequacy of the processes in place for engaging with stakeholders—as well as concern that decisions under the act were not being conveyed clearly enough to those stakeholders. The introduction of the Great Barrier Reef Marine Park Zoning Plan 2003, with its considerable scale and scope, affected many communities and stakeholders. Perhaps better than any other chapter in the act's history, this example demonstrated the tension often felt by many stakeholders in the decision-making process. Whether for valid reasons or otherwise, many stakeholders disagreed with the scientific basis of the zoning plan, considered the processes to be biased and felt that it failed to consider the impacts on individuals and communities.

While the final criticism ought to be levelled directly at the Howard government for ignoring repeated warnings from the Queensland fishing industry about flaws in socio-economic assessment processes, the other criticisms are symptomatic of the inherent weaknesses in the act. The review panel executive summary recognised this when it noted that:

... an effective relationship with recreational and commercial fishing stakeholders is lacking. To an extent, such tensions between the Authority and affected stakeholders were inevitable in view of the substantial change to zoning arrangements proposed.

And said:

... the Review Panel is of the view that the processes for engagement with all stakeholders can be improved.

The processes involved in the 2003 zoning plan should be considered with a view to learning lessons for the future. Managing the alternative uses of the marine park, and responding to the long-term protection needs of the future will become much more challenging in the future.

The integrity of the act and the integrity of processes that allow conservation to coexist with reasonable marine park use—and the general acceptance of that integrity by stakeholders—depends on practices that: are clearly scientific, are thoroughly transparent, engage with stakeholders, are clearly understood, and assess the social and economic impacts of any changes affecting the Great Barrier Reef. That is why I welcomed a review into the act to:

... improve the performance of the Great Barrier Reef Marine Park Authority, its office holders and its accountability frameworks.

It is also the reason why I am generally supportive of the measures in this bill.

While the bill is by no means perfect—and I will come to that later—it is certainly

not as bad as many of us had feared at the time of the review's announcement by the former Minister for the Environment and Heritage. The review into the Great Barrier Reef Marine Park Act came against a backdrop of a National Party push to abolish the Great Barrier Reef Marine Park Authority and give full control to the minister. No doubt the abolition of the authority has only been avoided because of the intense campaign from members on this side of the chamber and the resulting public outrage. The review also came against a backdrop of the Howard government gutting the independence of other key environmental agencies such as the Australian Greenhouse Office—have we forgotten?—the National Oceans Office and the Australian Heritage Commission.

The review also came against the backdrop of the Howard government's use of notions such as 'accountability' and 'best corporate practice' as powerful rhetorical weapons but then acting in a venal manner that made a mockery of those very notions. Who could forget the Australian Broadcasting Corporation Amendment Bill 2006? When announcing plans to restructure the board of the ABC under the guise of implementing the Uhrig report, the *Review of corporate governance of statutory authorities and office holders*, many held hopes of genuine reform. Many held hopes of a restructure that would result in an open and transparent process for making appointments to the ABC board, appointments based on merit and free of political patronage. We all know how wrong we were, and we will rectify that on the election of a Rudd Labor government.

These are not trifling matters that can be dismissed when considering the substance of the bill before us today. The backdrop I have just provided is most relevant to several matters of concern in the Great Barrier Reef Marine Park Amendment Bill 2007. As I have

mentioned, it is true that there are many lessons we can learn from the execution of the Great Barrier Reef Marine Park Act over the last 30 years. However, it is true that there are still many lessons we can learn from the Howard government's approach over the last 10 years to so-called improvements in accountability and performance frameworks of statutory authorities.

At face value, the bill does fulfil the objectives the member for Wentworth has set out. At face value, the bill strengthens governance arrangements, transparency and accountability. This is particularly so for the zoning plan processes. There will be far greater engagement with stakeholders in the development of new zoning plans which regulate the use of the marine park. A system will be in place which better balances and manages the diverse and competing interests involved in any proposed zoning plan.

Amendments to section 32 of the act will increase the minimum public comment period for draft zone plans from one month to three months. Proposed sections 34 and 35 will make the zone planning process more transparent, with comprehensive information being made available to stakeholders. The process will be built on principles that must consider robust scientific and socioeconomic information. These principles, and a report considering the environmental, economic and social values of an area, must be made available to communities, users of the marine park and other interested persons and organisations. It is pleasing to see that a comprehensive socioeconomic assessment is necessary prior to making any changes to zoning.

The disinterest and indolence shown by the Howard government to repeated warnings from the Queensland fishing industry that inadequate attention had been provided to the social and economic impacts of zoning plans is staggering. Perhaps this is being

generous. Some would say the attention paid was perfunctory. The initial failure to consider the social and economic implications of zoning plans for the commercial fishing industry is, at best, regrettable. However, the Howard government's need to review and upgrade its fishing industry structural adjustment packages on four separate occasions was embarrassing and a sign of incompetence. It has been the cause of much frustration for stakeholders, and it has unfairly subjected the integrity of the act itself to unnecessary scrutiny. For the government's sake, we all hope this embarrassment can be avoided in future as a result of the amendments contained in this bill, although there can be no panacea for incompetence.

Proposed sections 53 and 54 will establish a periodic Great Barrier Reef outlook report that provides a regular and reliable means of assessing performance in the long-term protection of the Great Barrier Reef. The peer review assessment will include an analysis of the condition of the ecosystem and the long-term outlook for the reef. The outlook report may be used during any review of a zoning plan which is currently in place. So as to allow the consequences of an existing zoning plan to take full effect on the ecosystem, amendments to or reviews of zoning plans may only take place after seven years.

The requirement that significant amendments may only be made to zoning plans after seven years leads me to a concern that pressing issues which may be identified in an outlook report, which is prepared every five years, may not be acted upon for a further two years. Notwithstanding this minor concern, there can be no doubt that the amendments have ostensibly been drafted for a proper purpose. At face value, the amendments improve transparency and accountability and strengthen the governance of the Great Barrier Reef Marine Park Authority.

This is in no small part because the health of the Great Barrier Reef is to be regularly reported on, and considerations of changes in future planning and zoning arrangements will appear to be undertaken in a robust and transparent manner. However, as with any reform of a statutory authority by the Howard government, it would be prudent to scratch the surface of the proposals because the devil is often in the detail. Superficiality has always been a strength of the government, but it is often the motives behind its proposals that can leave a lot to be desired. This bill is no exception.

While I would not be prepared to throw the baby out with the bathwater, there are elements of this bill which all members should have serious concerns about. The Great Barrier Reef advisory board, which will be structured to provide the Minister for the Environment and Water Resources with specific advice relating to marine park protection and use, will comprise appointments hand-picked by the minister.

Outlook reports, which will be structured to regularly provide the minister and the public with information about the health of the Great Barrier Reef, will be drafted by an authority whose members have been appointed by the minister. The outlook report will be peer-reviewed by persons who the minister thinks have the necessary qualifications to undertake the task.

The bill does not give any indication as to whether the bona fides or qualifications of those undertaking the peer review of an outlook report will be subjected to public scrutiny, because there is no indication as to whether the peer review itself is public or confidential. The principles upon which a zoning plan is based are, in the final analysis, approved by the minister alone. Furthermore, any decision to amend a zoning plan will rest not with the authority but with the minister.

The minister may retort that any decision to amend a zoning plan will be based on the outlook report and advice received by the Great Barrier Reef Marine Park Authority.

However, we cannot easily forget the backdrop to this bill, which I identified earlier. The Howard government has drafted this bill against a backdrop of government members seeking to abolish the Great Barrier Reef Marine Park Authority, against a backdrop of damaging the independence of other key environmental agencies and against a backdrop of using rhetorical weapons of reform and restructure to make political appointments to statutory authorities.

Under the present government there has been an appalling tradition of politicising board appointments and elements of the bureaucracy. Who could forget the frank and fearless advice received by the government on such matters as ‘children overboard’, ‘weapons of mass destruction’ and ‘AWB kickbacks to Saddam Hussein’s regime’?

In the best spirit of Christian charity, if one accepts that the government has not lied about these appalling incidents then one cannot forgive the government for its incompetence on those matters. It is clear the Howard government does not tolerate criticism well. It is a tragedy that many agencies and departments have become shells of their former selves because some members of the government do not want to hear of any evil or see any evil—even if the agency knows the evil exists. This backdrop should not allow us to fall for the government’s disingenuous attempt to employ shallow words to give soothing assurances that there are the necessary checks and balances on the minister’s powers under this act.

The Great Barrier Reef Marine Park Authority, as I have already mentioned, will be comprised of members stacked by the minister. The outlook report will in turn be drafted

by this authority. The outlook report will be peer-reviewed by individuals stacked by the minister. Zoning plans will be amended by the minister. Zoning plan principles will be determined by the minister. Members of the Great Barrier Reef advisory board will be stacked by the minister. Members of the government should not feign surprise at the concentration of power in the hands of the minister and nor should members of the government feign surprise that one of the few structures in place that could have provided a check on the minister's powers will be abolished by this bill. The bill no longer provides for automatic representation on the Great Barrier Reef Marine Park Authority from the Queensland government.

The minister has already noted that the bill encompasses the outcomes of the 2003 Uhrig report, the *Review of the corporate governance of statutory authorities and of office holders*. In defence of the abolition of Queensland government representation on the Great Barrier Reef Marine Park Authority, the minister may cite the following conclusion from that report:

The review does not support representational appointments to governing boards as representational appointments can fail to produce independent and objective views.

However, assuming Mr Uhrig's conclusions are correct, it is interesting to note that his findings on the matter only made up one page of a 133-page report. It is important to note that Mr Uhrig also made the comment that 'there are no universally accepted structures and practices that constitute good governance'.

The choice of governance model for the Great Barrier Reef Marine Park Authority should not be formulaic but should be driven by the objectives of the authority. Guidance can be taken on this point from the executive summary of the *Review of the Great Barrier*

Reef Marine Park Act. It notes, inter alia, and I quote:

... many points of intersection in both policy and legislation that apply to the Marine Park and surrounding area, which require the two governments to work closely together.

The review continues:

... officeholders should not be representational but appointed for their relevant expertise, with one member being nominated by the Queensland Government ...

In light of the need for effective collaboration between the Commonwealth and Queensland governments, this bill ought to have allowed for the Queensland government to be automatically represented on the Great Barrier Reef Marine Park Authority. I would have thought that that would be the minimum requirement. This, to some degree at least, would also have installed an independent voice on the authority which could keep a check on the minister's sweeping powers. Given the health of the Great Barrier Reef, and bearing in mind that it is at a crossroads, it is more vital now than ever before for the Great Barrier Reef Marine Park Authority to provide frank, fearless and independent advice to the minister. This is particularly so given the minister's propensity to dismiss environmental advice which is extremely pertinent for the long-term survival of the Great Barrier Reef.

The issue of climate change is the largest single challenge confronting the Great Barrier Reef. Despite overwhelming evidence to this effect, the government remains unrepentant in its determination to sabotage efforts to reduce emissions. Reports that the Great Barrier Reef is facing extinction because of the effects of climate change have amounted to nothing. It is a disgrace that the government has ignored UN reports which predict the beginning of the end of the Great Barrier Reef within 13 years. Members of the public are entitled to ask: why has the

Howard government ignored assessments by the UN's Intergovernmental Panel on Climate Change? Why has it ignored Professor Ove Hoegh-Guldberg of the Australian Research Council Centre of Excellence for Coral Reef Studies? Why has it ignored Australian climate change expert Dr Geoff Love? And why has it ignored warnings from Sir Nicholas Stern?

While the oceans have been a convenient dumping ground for our waste, the effect of all of this carbon dioxide upon the ocean waters is beginning to have serious consequences, because carbon dioxide when dissolved in water forms a weak acid. The Great Barrier Reef is not only under threat from increasing water temperatures that cause coral bleaching but also, it now appears, besieged by increasing ocean acidity. It is breathtakingly hypocritical for the minister to suggest that 'the Australian government has remained committed to the long-term protection of the Great Barrier Reef' when the government will not seriously address concerns that a three-degree rise in temperature could bleach 97 per cent of the Great Barrier Reef and that coral reef communities will be replaced by algal communities by 2030. The government has now cynically announced, four months before an election, initiatives which will placate the growing anger of Australians. But we know what members of the Howard government really think about the threat of climate change. They are climate change sceptics. They have thrown the precautionary principle out the window. Some members opposite believe—indeed one has openly stated—that climate change is an issue for 'trendy coffee sippers'. What a disgrace.

The government has not only spread misinformation about the consequences of global warming, particularly for the Great Barrier Reef, but also deliberately taken a wrecking ball to the international commu-

nity's attempts to establish a treaty to reduce the volume of greenhouse gas emissions. It has tried in vain to turn the debate about climate change into a mutually exclusive choice between environmental protection and job protection. This is nonsense. The destruction of the Great Barrier Reef from the effects of climate change directly puts at risk 200,000 jobs in a \$4.3 billion tourism industry. While some members opposite sit back and ridicule scientists from home and abroad as 'trendy coffee sippers', the Great Barrier Reef and many tourism jobs are slowly facing destruction as a result of their inaction. This is a scandalous and disgraceful situation. It is vital that the Great Barrier Reef Marine Park Authority be given every opportunity to provide independent advice to the minister, and it is important that this advice is taken heed of. (*Time expired*)

ADJOURNMENT

The SPEAKER—Order! It being nearly 7.30 pm, I propose the question:

That the House do now adjourn.

Productivity

Ms GILLARD (Lalor) (7.29 pm)—Today during question time the Treasurer was asked a question by the shadow Treasurer about the productivity performance of this nation. As you would no doubt recall, the last thing the Treasurer actually wanted to talk about was the productivity performance of this nation. I can understand why the Treasurer would rather say anything or do anything than answer in a straightforward fashion a question about this nation's productivity because, if he were to answer that question in a straightforward fashion, he would have to admit that the productivity record of this country under the Howard government is a track record of failure.

As we know, this government frequently comes into this chamber and makes all sorts of assertions about productivity and about its

connection with its extreme industrial relations laws. But what we know from the facts is that productivity under this government is in deeply concerning territory. Indeed, for the first six months following the commencement of this government's extreme industrial relations laws, productivity in this nation went backwards. It is presently at a staggeringly low 1.5 per cent compared to an historical average of 2.3 per cent, and the very budget papers the Treasurer launched with such a flourish last night confirm that productivity will plummet again from the end of the next financial year.

I can well understand that the Treasurer would rather stand at the dispatch box conjuring up any form of distraction than answer in a straightforward way a question about productivity—because he has no answer. In the course of the Treasurer clutching for distractions at the dispatch box today, he made the following statement. He was talking about Labor's industrial relations policy. He preferred to talk about that than deal with productivity issues, and he said in the course of talking about the policy:

The people who think that include Sir Rod Eddington, the Labor Party adviser in relation to industrial relations, the person the Deputy Leader of the Opposition dismissively refers to as 'another voice'—

At that stage I responded—and I do apologise to you, Mr Speaker, for interjecting on that occasion—by interjecting, 'Not true!' The Treasurer's statement is not true in two respects. Firstly, I object to the way in which the Treasurer has described Sir Rod Eddington. Of course, Sir Rod Eddington is a noted member of Australia's business community with a formidable history in Australian business. He is a former British Airways chief executive who now sits on boards including Rio Tinto and News Corporation. He was appointed by the Labor leader Mr Rudd in February as the chair of Labor's business

advisory panel. I believe the way in which the Treasurer described Sir Rod Eddington today was inappropriate in this House. Beyond that, the Treasurer today suggested in his answer, avoiding the question about productivity, that I had dismissively referred to Sir Rod Eddington. That is completely untrue. The newspaper article that the Treasurer tabled to try to prove his spurious claims quotes me in the following terms:

Last night, however, Ms Gillard said it would be "very unfair in any way to say I was dismissive" of Sir Rod's contribution to Labor policy.

I did object to that; I do object to that. Mr Rod Eddington is an important person in the business community, he is an important adviser for Labor, I value the discussions I have had with him, I look forward to more discussions with him and I think it is inappropriate that the Treasurer made remarks in those terms in the parliament today.

But it is not candour that we expect from the Howard government when we stand in this parliament. We do not get it, we do not see it on matters like this and we do not see it on matters of public policy in this nation. One of the areas in which the least candour is shown is industrial relations, where this government is now pretending that it has a new policy which would make a difference to Australian families. (*Time expired*)

Mr Stanley Thomas Crisp

Mr HARDGRAVE (Moreton) (7.35 pm)—As unfortunately often has been the case in recent months, I wish tonight to record the passing of a great Australian. I think it is important that, as individual members of this place, we take time to pay tribute to people who maybe are not making a name for themselves in the daily news, who are not on the television every night and who are not necessarily seeking any attention but just getting on with the job. Tonight I lament the

passing of Stanley Thomas Crisp, British Empire Medal winner, Centenary Medal winner, Australian Active Service Medal recipient 1945-75 with Clasps 'Malaysia' and 'Vietnam', General Service Medal with Clasp 'Malay Peninsula', Vietnam Medal, Australian Service Medal 1945-75 with Clasp 'Far Eastern Strategic Reserve', Long Service and Good Conduct Medal, Australian Defence Medal, Pingat Jasa Malaysia Medal and Returned from Active Service Badge. Stan Crisp achieved the rank of Chief Petty Officer within the Royal Australian Navy—a '20-year man' and someone who saw active service in the Malaya confrontation and also from 1966-71 served Australia's interests in Vietnam. In more recent times Stan Crisp found other ways to serve our country and our local community. From 1995 Stan Crisp was the Secretary of the Yeronga-Dutton Park sub-branch of the RSL. He was made a life member of the Queensland RSL. For 12 years he was the pensioner welfare officer of the Yeronga-Dutton Park sub-branch and a qualified Justice of the Peace.

I take the time to mention Stan Crisp, because he was a fundamentally decent man whom, sadly, we lost on Sunday after what seemed to be a short battle with cancer. He was just 78 years of age. Stan was fighting with a great deal of determination to make the Anzac Day ceremonies at both Gair Park and, indeed, at the Ekibin Memorial Park, Cracknell Road. I know that Stan was desperate to be at both ceremonies, but his ill-health made it impossible. Ken Railton, the ex-president of Yeronga-Dutton Park sub-branch, was not sure on Anzac Day whether Stan would actually see the day out, but in Stan's typical style he fought on.

I know that Ken and the new president, Tony Robinson, and all members of the Yeronga-Dutton Park subbranch will miss Stan. His straight-talking, right up and down

approach to things was something that left an indelible mark on me as the local member, and I am very grateful for everything he did. Stan told me quite a few years ago, 'You need to get a bit of Navy into you, son; you need to get a bit of Navy experience.' When the opportunity came up for me, under the Australian Defence Force parliamentary program, to join the ranks of the defence forces in the Middle East and to go and see for myself what our troops were doing over there, I took it. So just a few weeks ago Stan was very much in my conversation. When I was on the HMAS *Toowoomba*, I said, 'I'm looking forward to getting back and talking to Stan and saying, "Well, I've got a bit of Navy in me".' When I spoke to the chief petty officers onboard the HMAS *Toowoomba*, I knew the style of man that Stan was because, again, we are seeing that in the contemporary chief petty officers, the able seamen and all of the senior officers on board the *Toowoomba*.

Stan Crisp would be proud of the work that is being done by his counterparts today. Australian Defence Force personnel are making friends every day as we work with our Iraqi counterparts to secure a long, lasting peace and freedom that are underpinned by a democracy of the Iraqi people's choosing. Stan served on ships such as the *Sydney*, the *Cootumundra*, the *Melbourne*, the *Queensborough*, the *Vampire*, the *Yarra*, the *Voyager*, the *Quickmatch*, the *Parramatta* and the *Vendetta*. Stan's 20 years of service in uniform in Australia, which he completed in June 1972, was only surpassed by the service he gave to Australia and particularly to the local community, which centres around the Yeronga-Dutton Park RSL and, indeed, Yeronga Services Club, following his retirement. I say on behalf of Stan's wife and family and all of his mates at the Yeronga Services Club and the Yeronga-Dutton Park

RSL, 'Thanks very much, Stan.' (*Time expired*)

Budget 2007-08

Ms BIRD (Cunningham) (7.39 pm)—I take the opportunity this evening to address what no doubt will shape up to be a very important debate in this country in the run-up to the election, and that is the future of education and its role in improving the productivity and the long-term prosperity of the nation. I want to address the claim by the government that the budget announcements by the Treasurer prove that the government has its own education revolution underway. I will challenge that claim—I hope fairly significantly, because there is so much that could be said—in the few minutes available to me.

The centrepiece of the government's claim on education is the \$5 billion university endowment fund. No doubt that is a reasonable initiative, but it hardly addresses the issue of university places and access and equity for university students. This fund will provide capital amounts of money—although obviously not a great deal if it is only \$300 million a year—and money for research facilities. That money is welcome, but it does not address the real challenge facing the great majority of students who find that it is the cost of living that really creates a problem for them in completing their university studies. Indeed, with Wollongong University in my electorate, I am constantly made aware by uni students of the struggle to balance their study and their work requirements and that they really have no other option but to work. Often many of them carry a full workload on top of trying to complete their studies. So, while this centrepiece item no doubt is welcome, it will hardly address the issues of making sure that many of our young people are able to access and complete university study.

The sad thing about the government's proposals in the budget under education, where they are trying to claim that they have gazumped Labor, is that there was nothing about preschool education. Having a background in both education and juvenile justice, I am profoundly aware of the importance of the formative years for young people in both their social development and their educational development. Labor has committed itself to providing 15 hours of preschool education a week for all four-year-old children in order to provide them with the solid foundation they will need when they start school. There is absolutely nothing more important that you could do than to make sure, as much as you can, that every kid who starts school starts from a level playing field. The capacity to access the pre-reading and pre-numeracy type skills that you get in those programs is absolutely vital. There was nothing at all from the government in the budget about preschool education. It has completely missed the point that early intervention programs in all sorts of areas, particularly in education, can make a profound difference to the long-term learning of young people.

Then we come to the schools sector. We have a new commitment to an old pilot, which is the tutorial voucher scheme. We all remember what a great success that scheme was! Indeed, I remember young people in my area who had not passed the 2003 benchmark test being told that they had a voucher, yet many of them did not get that voucher until after they had sat the 2005 test. Rather than the government extending that program, I personally think it would be far better to use that money to provide literacy and numeracy support in schools, as Labor has proposed in its education revolution program; that would have been a better option. If the government is going to run this privatised version, it should at least ensure that the

facilities and services are there to be provided to the young people who need them and it should not leave parents as disappointed as they were under the pilot.

Finally, there is the great initiative for technical education. As long as I have been here, the government has been telling us that Labor people are far too wrapped up in university education and that they do not understand how important vocational education is. What was the big loser in this budget? It was vocational education and training. The best the government could manage were three new ATCs, when it does not even have the current promised crop up and running. Those that are up and running are not even filling their quotas for students. The students that are in them, by and large, are missing out on employers; they cannot even get people to take them on for their work component. So let us throw some more money at something that is struggling to survive, as it is. This budget provides a very weak response to the needs for education to develop productivity for the future. *(Time expired)*

Cook Electorate: Proposed Desalination Plant

Mr BAIRD (Cook) (7.45 pm)—I would like to draw the attention of the House to further negligent policy making by the New South Wales government in relation to its proposed desalination plant on the Kurnell Peninsula. My electorate of Cook is to be the home of this proposed plant, and just a few days ago the arrangements for its construction became public knowledge. The state government is effectively going to dig trenches down the middle of the Sutherland Shire and run pipes for the carriage of water from Botany Bay to the inner suburbs of Sydney. These arrangements are very bad news for Sutherland Shire residents. We are being used as nothing more than a thoroughfare for the water supplies of inner Sydney.

The plans have confirmed what most of us feared about a desalination plant in Kurnell. Not only will the plant's construction cause mass disruptions to shire residents over a two-year period; it will also contribute to the further decline of Botany Bay—all this for a plant which will produce a relatively small volume of water for the inner suburbs of Sydney.

Sutherland Shire residents have a long history of doing their bit for the benefit of greater Sydney, but the desalination plant is taking our generosity too far. The lack of community consultation about the construction of this plant, especially at local council level, has been entirely inadequate. When residential driveways are blocked, local car parks and parklands begin to close and noise levels from the pipe's construction reach severe levels, the shire will be fully aware of the raw deal we got from the New South Wales government.

Whilst residents will be inconvenienced by these disruptions, a larger concern for us all is the permanent environmental damage the desal plant will cause to Kurnell and Botany Bay. The environment in this region, which is of course the landing site of Captain Cook and the birthplace of our modern nation, has suffered enough damage over the years through overdevelopment and sand mining. Surely now is the time to say enough is enough.

The desal pipelines outlined in these plans will stretch eight kilometres from Kurnell to Kyeemagh. In order to lay these pipelines I understand a four-metre deep trench will be dug across the bottom of Botany Bay. More than a million cubic metres of sand will be dug from the floor in an eight kilometre arc. Whilst most of this sand will be used as backfill, this process will have a detrimental effect on our bay. The most recent environmental study of the effects of the desal plant

on the environment tells us that Botany Bay will lose a further 2.6 hectares of seagrass. Whilst this only amounts to approximately one per cent of the Botany Bay area, it shows us that, rather than finding ways of preserving the environment in our region, the New South Wales government feels that it is okay to just take a little more. And what will replace this seagrass? Eight kilometres of pipelines, covered in concrete. Kurnell is of course a place of major historical significance, but it is also an environmentally noteworthy site. It is home to a variety of rare birds and marine life and is a Ramsar site. I still wonder what effect the 750 million litres of hot concentrated brine will have on this wildlife once it is sent off the coast of Kurnell every day.

The desalination plant is strongly opposed by many constituents in my electorate. After watching several weeks of solid coastal rain lost out to sea, many of us are wondering why the New South Wales government is unable to invest a small amount of the \$1.8 billion being spent on the plant in other water saving strategies. As announced by the Treasurer last night, the Australian government is offering substantial initiatives to encourage people to install rainwater tanks in their homes. The message is clear for all jurisdictions responsible for the provision or management of water resources: we need to catch and use more rain. This is an obvious and sensible solution. It is a solution far superior to digging up suburbs to send desalinated seawater halfway across Sydney. Furthermore, it is an environmentally sustainable approach.

The desalination plant was a major issue for shire residents in the recent New South Wales state election. With the election now over I call upon the New South Wales government to cancel the construction of the desalination plant in Kurnell. I ask that they revisit more effective strategies in water

management that are more environmentally responsible.

Budget 2007-08

Ms GRIERSON (Newcastle) (7.49 pm)—I cannot pass up this opportunity to have a closer look at what this budget has offered for education. Having spent three decades of my career as a teacher, a demonstration teacher, a curriculum consultant and a principal, and over a quarter of a century as a parent—as many people here have—of children passing through education systems, I have a special interest, just like the Australian people.

So what did the budget offer? Early learning? A best start in life? Some early intervention programs for children? Some medical checks to make sure they start school properly? Nothing. For primary school education all I could see was a \$700 voucher system for parents to put towards private tuition. It sounds good but there was nothing for support teachers for children with learning difficulties, nothing extra for school counsellors to do those diagnostic assessments and no funds for special literacy programs or numeracy programs. For those sorts of approaches, which allow each child to have greater individual attention and support, there was nothing at all.

I am waiting to see what is in this \$700 voucher system that can make sure children actually benefit and to stop people making close private arrangements like nominating an accommodating friend or relative as a tutor and then pocketing the money and denying a child an opportunity. What about those tutors who do not deliver value for money, who do not understand the special needs of students? They will do very well, thank you very much, but the students are not at the centre of this decision. Apparently, that is not the government's concern—as long as the cheque is in the mail in an elec-

tion year, as long as those flagpoles have flags flying and as long as chaplains are there to provide some sort of support, we apparently do not really need to worry about child-centred learning.

Perhaps secondary schools are benefiting. But there is not much there at all. There is a \$5,000 bonus for teachers who complete—and I quote the minister from question time today—‘the government’s summer school’. It sounds a bit like the Bart Simpson approach, doesn’t it—write 100 times on the blackboard: ‘AWAs are good, unions are bad.’ That is a real concern. What does a government summer school look like? Perhaps it is individual schools that need to say what professional development and training would benefit their students, not a government summer school. It sounds exceedingly like Big Brother.

At this stage little is known about the possible \$50,000 for succeeding schools but, by my reckoning and my knowledge of schools in my electorate, that is a lot of schools. I hope they all achieve that \$50,000 bonus, because they have certainly worked for it. But, as to what government hoops the schools will need to jump through to gain that money, we just do not know at this stage. What about our TAFEs? There does not seem to be much there either. The additional \$1,000 or so for apprentices in their first and second years is a very welcome improvement as long as you have a job and can gain an apprenticeship. But given that the retention rates for apprentices under the government scheme fall below 50 per cent, anything that helps young people complete their apprenticeships will be welcomed by everyone in this field.

Three additional Australian technical colleges just does not cut it for me. These have been beset with problems: finding teachers, setting up adequate facilities, commencing in

time to deliver training. What a pity this funding did not go to TAFEs and industry based training companies like the Hunter Institute and group training companies in my electorate that are already attaining retention rates of 80 per cent to 90 per cent for their apprentices in areas of critical trade shortages. But it is an election year and some parochial announcements in a few key seats, like the seat of Macquarie perhaps, just might help this neglectful government to gain the votes it needs to save its skin.

Perhaps the budget dollars have been directed to universities. On the surface, yes, there are some funds there, but let us look more closely. A \$5 billion endowment fund sounds good but \$300 million a year to be shared between 38 universities will not do very much to address the neglect and the backlog in capital maintenance and replacement programs. In the almost half a billion dollars for research facilities there is nothing for the Hunter Medical Research Institute at Newcastle University—an outstanding research facility, which is a joint venture with the Hunter New England Health Service. They have a pressing need. They have to relocate and consolidate facilities. They have to make some decisions now but they received no funds.

So does this new budget, in terms of education, promise to lift Australia to the top of the OECD tables in productivity and innovation? I think not. What a dreadful waste! It is Labor’s education revolution for me, and I think that will be the option of the Australian people as well.

Budget 2007-08

Mr BARTLETT (Macquarie) (7.54 pm)—It is really quite disappointing to see members opposite scratching around, trying to find something negative to say about a budget that has been received overwhelmingly in a positive way and that contains a

vast number of positive initiatives. It locks in our prosperity, continues our strong track record of sound economic management and invests for the future. Yet we have to go through this charade where members opposite try to find something negative for the sake of negativity.

There is much I would like to say about the strengths of this budget generally but I will save it for the debate on the appropriations bill. Tonight I would like to speak about some aspects regarding education that are of particular interest to me. The member for Newcastle has referred to the funding announcement of a dental school for Charles Sturt University. I am delighted to see the assistant minister at the dispatch box. The member for Parkes has worked with me and a number of other colleagues, including the member for Riverina and Senator Nash, to bring this proposal to fruition. Last night, in the budget, the Treasurer announced \$65 million for a dental school for Charles Sturt University. This is an initiative that will provide long-term solutions to the dental crisis that affects New South Wales, particularly regional New South Wales. This proposal includes \$54.5 million for the establishment of the dental school itself, \$4 million for student accommodation and \$6.6 million over four years for the places for training in the dental schools.

The structure is that the undergraduate preclinical and clinical work will be done at the Orange and Wagga campuses. For the graduate years—years 4 and 5—clinics will be established in Bathurst, Albury and Dubbo. This proposal that will cover vast areas of central western and western New South Wales that area suffering so badly. The proposal is that there will be 240 dental places in the pipeline and students will begin studying in 2009. Three years later there will be an anticipated 30 graduates a year in oral health and related oral health sciences. Then

two years after that there will be the start of a stream of 30 graduates in dentistry each year from these clinical schools in this university. This is a quality proposal. I want to congratulate Charles Sturt University on the amount of work that they put into building this proposal and for their research and hard work. They put in the hard yards.

It was obvious, when this proposal was brought to me and to my colleagues, that it was worth supporting. This proposal is a win-win situation. Firstly, it provides extra education places in regional New South Wales, in the central west of New South Wales, which is a part of the state in which I am very interested. It provides improved, increased, expanded educational opportunities for young people in this part of the state. Secondly, it directly adds to the supply of dental services because in years 4 and 5 those students will be under very close supervision working in those clinical facilities in Bathurst, Dubbo, Orange, Wagga and Albury, directly providing both public and private dental services in those areas of great need. Thirdly, and perhaps most significantly, this project will address the dental crisis at its root source, and that is an inadequate supply of dentists. By increasing the supply of dentists, we will be addressing the key issues that affect the shortage of dental services right throughout the state.

This is a quality proposal. I want to congratulate everyone involved. I want to congratulate Charles Sturt University Vice-Chancellor Professor Ian Goulter. I want to congratulate Marge Bollinger and the committee of volunteers that were behind this. I want to congratulate and thank my colleagues on assisting me in this project.

The SPEAKER—Order! It being 8 pm, the debate is interrupted.

House adjourned at 8 pm

NOTICES

The following notices were given:

Mr Nairn to present a Bill for an Act to amend the Financial Management and Accountability Act 1997, and for related purposes. (*Financial Framework Legislation Amendment Bill (No. 1) 2007*)

Mr Hunt to present a Bill for an Act to amend the Australian Centre for International Agricultural Research Act 1982, and for related purposes. (*Australian Centre for International Agricultural Research Amendment Bill 2007*)

Ms Ley to present a Bill for an Act to amend the Agricultural and Veterinary Chemicals (Administration) Act 1992, and for related purposes. (*Agricultural and Veterinary Chemicals (Administration) Amendment Bill 2007*)

Ms Ley to present a Bill for an Act to amend the law relating to communications, and for other purposes. (*Communications Legislation Amendment (Content Services) Bill 2007*)

Mr Nairn to move:

That, in accordance with the provisions of the *Public Works Committee Act 1969*, the following proposed work be referred to the Parliamentary Standing Committee on Public Works for consideration and report: CSIRO co-location with Queensland Government on the eco-sciences and health and food sciences precincts in Brisbane, Qld.

Mr Nairn to move:

That, in accordance with the provisions of the *Public Works Committee Act 1969*, the following proposed work be referred to the Parliamentary Standing Committee on Public Works for consideration and report: Rationalisation of ADF facilities at RMAF Butterworth, Malaysia.

Ms Hall to move:

That the House:

- (1) recognises that epilepsy is the most common serious brain disorder and is the most universal of all medical disorders;
- (2) acknowledges that 200,000 people live with epilepsy at any one time in Australia and that up to three times as many Australians will have epilepsy at some time in their lives;
- (3) that people living with epilepsy are disadvantaged by lack of research into the disorder and by the lack of a national plan for epilepsy or deeming it a disorder that is a national priority;
- (4) acknowledges the impact that epilepsy has on the lives of people living with it;
- (5) calls on the Australian Government to fund greater research into epilepsy; and
- (6) calls on the Australian Government to establish a nationwide educational strategy on epilepsy modelled on the World Health Organisation's global campaign.

Ms Hall to move:

That the House:

- (1) acknowledges the impact that the Howard Government's Welfare to Work changes have had on older unemployed workers;
- (2) acknowledges that the Welfare to Work changes place obligations on these workers whilst the Government fails to provide the training and support needed to obtain employment;
- (3) calls on the Howard Government to recognise the role older unemployed workers play in our community, providing unpaid child care and in volunteering;
- (4) calls on the Howard Government to realistically recognise the training needs of older workers and to provide real assistance to these Australians seeking to re-enter the workforce whilst acknowledging that some mature workers fully meet their obligations undertaking voluntary work.

Mr Crean to move:

That the House:

- (1) notes that:
 - (a) strong and sustained export growth is essential for long-term economic pros-

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- perity and for providing more rewarding, well-paid jobs;
- (b) despite the resources boom, Australia has been seriously and consistently underperforming in relation to its export sector;
 - (c) Australia's average annual export growth rate over the past ten years is half that recorded under Labor;
 - (d) Australia has now experienced 60 consecutive monthly trade deficits—the longest period of trade deficit on record;
 - (e) the Government has failed to double the number of exporters by 2006, as it said it would; and
 - (f) at the same time, the Government has halved the level of financial assistance to Australian exporters; and
- (2) calls on the Government to urgently adopt a comprehensive trade strategy to address the underperformance of Australia's exports.

Mr Stephen Smith to move:

That the House notes the Government's failure in the 2007 Budget to make up for its more than ten years of neglect and complacency towards the education sector, including investment in early childhood education, and skills and training in Australia's TAFEs.

Wednesday, 9 May 2007

The DEPUTY SPEAKER (Hon. IR Causley) took the chair at 9.30 am.

STATEMENTS BY MEMBERS

Water

Mrs ELLIOT (Richmond) (9.30 am)—I rise today to speak on a very important issue in my electorate: the Howard government's recent proposal to take water from northern New South Wales to Queensland. One of the proposals that has been put forward by the Minister for the Environment and Water Resources involves building a dam in the village of Tyalgum. Our precious water would then be sent over the border to the Gold Coast—an area that has been overdeveloped and inadequately planned for. I am totally opposed to the plans of the environment minister, the Prime Minister and the National Party to take precious water from our rivers for use by the overdeveloped Gold Coast. As the federal member for Richmond I make no apologies for standing up for locals and fighting to protect the best interests of the residents of the Richmond electorate.

My main concerns about this proposal include the devastating effect that the building of a dam would have on the village of Tyalgum and the surrounding areas and the sustainability and future of our river. Our river's health and ecosystem are of the utmost importance. There are very serious environmental consequences associated with this proposal. Many local industries rely on our river—for example, tourism, farming and fishing. This proposal would have a significant impact on local jobs, and that is certainly an issue that many locals have raised with me. I am also very concerned about the future water needs of the Tweed region. It is of utmost importance that our water requirements are looked after. In a report in the *Australian* on 16 April 2007, the Prime Minister referred to this proposal to pump water from northern New South Wales. He said that it passes a 'commonsense pub test'. I challenge the Prime Minister to go to any pub in the Northern Rivers and talk to the locals about this plan. I do not think he or the environment minister would be game to go to the Tyalgum pub and talk about this plan. I do not think they would get a very good hearing at all.

This plan is self-serving and ill conceived. It is another example of how this government—in particular, the National Party—has abandoned and forgotten regional and rural Australia. Last week, over 300 locals attended a public meeting in Tyalgum to voice their concerns about this proposed dam and how it would destroy their village and the surrounding areas. Our community have been very vocal in our opposition to this plan. Last week I launched a petition and, so far, hundreds of locals have signed it. Our community will stand united on this issue and fight to stop this dam. It is a major issue in the electorate, and people have so many concerns.

I call on the Minister for the Environment and Water Resources to rule out a dam in northern New South Wales and taking water from northern New South Wales to Queensland. I make no apologies for standing up for the people of Richmond on this matter; our water and our water needs are of utmost importance, as are preserving our rivers, our ecosystems and our rural villages. These are my main concerns, and I want answers from the environment minister. I want him to rule out this dam in northern New South Wales and to rule out taking water from our area to Queensland.

Water

Mr SLIPPER (Fisher) (9.33 am)—I rise in the chamber today to object to the attempt by the Queensland Labor government to steal water from the Sunshine Coast to give to Brisbane, which is in a desperate situation because of the Labor government's failure in the past to plan. The water issue has not been far from the front-page headlines in recent months, and there would be few who doubt that it will continue to be very prominent. We on the Sunshine Coast are very upset about the attempted move by the state Labor government to pipe water from our region's largest water supply, Lake Baroon, to Brisbane. The extreme water shortages in south-east Queensland are the result of the Rudd Labor government's failure to build the Wolfdene dam a number of years ago.

Mr Danby—The Rudd Labor government?

Mr SLIPPER—It was effectively the Rudd Labor government—when Wayne Goss was the premier, Kevin Rudd was his chief of staff. Lake Baroon is one of those facilities that will be linked via the water-grid network to a thirsty population in Brisbane. Local residents of the Sunshine Coast have been blessed with an adequate water supply as a result of sensible planning foresight by the Maroochy and Caloundra councils—and we may well pay a financial penalty for that foresight. Lake Baroon is relatively young, with its construction having been completed as recently as 1989. It covers some 380 hectares and is the main water supply for the Caloundra and Maroochy local government areas. It is located within a very efficient catchment, and it is not altogether unusual to have a relatively small downpour that makes a bigger than expected impact on water levels in the dam. When full, it holds a maximum of 61,000 megalitres.

The intention of the state Labor government is to pipe water from Lake Baroon to Brisbane. Brisbane has a number of other water supplies with much higher capacities. It is not hard to see that Lake Baroon would have little impact on the overall water demands of Brisbane, yet its connection to the water grid would come at considerable cost to local residents, who will find themselves suffering considerable water restrictions and, quite possibly, disastrous water shortages as well as increased water costs. We have also been told that it is possible that local Sunshine Coast residents will have to fund the cost of the pipeline which will take their resource away from them. That is astounding.

Water in south-east Queensland would not be the problem it is now had the Labor government taken sensible decisions in the past and planned for our increased population. It does seem that the state Labor government is determined to deprive Sunshine Coast residents of their planned water supplies by piping our water to Brisbane. If the water goes to Brisbane it will not make any difference to Brisbane but it will make a huge difference to the Sunshine Coast. I condemn the state Labor government.

Hume Highway

Mr HAYES (Werriwa) (9.36 am)—Today I rise to speak about the campaign to widen the Hume Highway between Ingleburn and Campbelltown. The widening is not simply to deal with the increased commuter traffic, although it will contribute to managing the effects of urban growth in south-west Sydney. The draft AusLink Sydney-Melbourne corridor strategy indicates that, on the outskirts of Sydney, traffic levels currently exceed 80,000 movements per day, including 6,000 trucks, and this is expected to grow by two to three per cent per year,

in effect doubling the traffic flow over the next 20 years. Sydney's population is likely to hit five million over the next 25 years and 20 per cent of that growth is expected to occur in the south-west fringes of Sydney. The south-west growth centre will include new communities, providing homes for up to 250,000 people and approximately 10,000 hectares of employment land.

The economic case for widening the Hume Highway between Ingleburn and Campbelltown revolves around the establishment of intermodal terminals and their connectedness with not only the M7 corridor and other freight transport networks but also Port Kembla, which is set to expand and include the importation of cars under the New South Wales government's three-ports strategy. Without widening the section of road between Campbelltown and Brooks Road, the congestion at this bottleneck will be exacerbated as a result of increased freight movements from the intermodal facilities around Ingleburn and Minto. The possible construction of another intermodal facility on the defence land at Moorebank will add further pressure to local road networks and, more importantly, the Hume Highway.

The draft AusLink Sydney-Wollongong corridor strategy indicates that the relocation of car importations to Port Kembla will result in 250,000 vehicles arriving annually. It is expected that at least 50 per cent of those vehicles will be shipped by B-double road transport to Minto or Ingleburn for pre-delivery inspection and distribution to retailers throughout south-west Sydney. For local job creation and managing the growth in freight transport between Sydney and Port Kembla it is important that the road be widened. This will allow for the expansion of Campbelltown based industries, with the associated growth of local jobs. It will also allow the benefits of the F5 to be fully realised. I hope some of the \$22.3 billion earmarked in the budget for roads and rail finds its way to the widening of the F5. (*Time expired*)

Budget 2007-08

Dr SOUTHCOTT (Boothby) (9.39 am)—I am very pleased that in last night's budget announcement \$10 million was allocated by the Australian government for a Centre for Innovation in Cancer at Flinders Medical Centre. This project is an important project for the electorate of Boothby, and it has been a long-term priority for Flinders University, Flinders Medical Centre and the Flinders Medical Centre Foundation. I am particularly pleased as this has been the culmination of 12 months work. I want to pay tribute to Professor Graeme Young, Dr Rhys Williams and Ms Deborah Heithersay of the Flinders Medical Centre Foundation.

It all began last year, the day after the budget announcement—so one year exactly—when I realised there was money available for medical research and approached Professor Young about putting in a submission for this year's budget. It required meetings with several cabinet ministers, visits to Sydney and visits to Canberra in September, October and November. The project will be a \$21½ million project. There are other people who have made contributions. The state government has made a \$2½ million contribution. There have also been a lot of donors, particularly from the southern suburbs of Adelaide. They have a great function, the Pink Ribbon Ball, which has had building this cancer centre as its goal.

The cancer centre will be a comprehensive cancer centre of a type that we do not have in Australia. It will have a particular focus on prevention. As our population ages, we will see an increasing cancer burden. It is estimated that over this decade we will see a 30 per cent increase in the incidence of cancer. That means that, while virtually all of the spending is con-

centrated on treatment and even on end-stage care, it is very important that we focus on prevention on the precancerous stage because that will actually help to reduce the burden.

The cancer centre will integrate research and clinical care. They will have translational research as well, which will mean the research they will be doing will be applied to patients. This will be particularly good for residents in the southern suburbs of Adelaide who use the Flinders Medical Centre. I am told that the facility should be open by 2009, and patients will get the benefit of a state-of-the-art, world-class facility at Flinders.

Mr Andrew Johns

Ms GRIERSON (Newcastle) (9.42 am)—On behalf of tens of thousands of Novocastrians, I pay tribute in the House to Newcastle's very own sporting hero and favourite Knight, Andrew Johns. For his fans, his colleagues, his family and friends, 10 April, the day he announced his retirement from the game, was one of great sadness but also great relief. There is nothing quite like 25,000 people holding their breath when Joey goes down in a game, so I suppose the relief was about him not ever compromising his future life through crippling injury.

Joey's record in Rugby League is exceptional—15 years at the elite level; three Dally M awards; two Golden Boot awards; 23 State of Origin games for New South Wales; 21 tests, including two World Cups and a Kangaroos tour; a 10-year representative career, including captaining New South Wales and Australia; Rugby League's all-time highest point scorer; second highest goal scorer; and the most capped player for the Newcastle Knights, with 249 first-grade games.

Joey deserves a tangible legacy. After leading the Knights to a heroic grand final victory in 2001, Andrew Johns, trophy in hand, told fans and the Prime Minister: 'I think you deserve a new stadium.' He was right. Andrew Johns was part of a delegation to this place in 2002 asking the federal government for funding for our stadium. Regrettably, however, that proposal for stadium funding has sat idle with the Department of the Prime Minister and Cabinet for five years. In that time, the state Labor government has spent \$34 million to build a new eastern stand, now named the Andrew Johns Stand in his honour. In March, the state government pledged a further \$30 million for the western stand if only the feds would put in. I have tabled petitions from 10,000 people from right around the Hunter supporting the upgrade. But, as budgets come and budgets go, this government has given nothing and totally ignored the call of 10,000 voters.

Bob Baldwin, the member for Paterson, is the only member in the Hunter still sitting on the sideline, and his government cannot even come onto the park. In last night's budget, yes, we saw the tick-off for \$25 million for Adelaide Oval and \$25 million for the Sydney Cricket Ground, but nothing for Newcastle. We have also seen similar funding in the past—St George's Kogarah Oval, \$8 million; Penrith stadium, \$10 million; Toyota Park, \$9 million; and Whitten Oval, \$8 million—but nothing for Newcastle. Just what kind of clout does the member for Paterson actually have when he lets \$85 million in sports stadium funding pass by our region?

When Andrew Johns retired, Kevin Rudd noted that whenever Joey took the field he 'delivered in spades'. It is very important that the Prime Minister now delivers in spades to the people of Newcastle and it is very important that our very own legend—we hope, the next

immortal in the game of Rugby League—will be recognised in a very tangible way with the western grandstand being completed with much deserved federal money. Andrew Johns, you will always have our support and our best wishes for your future in our hearts. *(Time expired)*

Flinders Electorate: Bitumen Plant

Mr HUNT (Flinders—Parliamentary Secretary to the Minister for Foreign Affairs) (9.45 am)—I rise today to express my clear and absolute opposition on behalf of the people of Crib Point, the people of Hastings and many other members of the electorate of Flinders to the ridiculous proposal for a bitumen plant on the edge of the town of Crib Point. It is the re-industrialisation of a town that has become a residential community. It is not an appropriate use for the land, which is right on the edge of residences.

Firstly, a consequence will be truck movements in and out of the town of Hastings, throughout Crib Point and through Bittern. All of those areas will be facing numerous B-double trucks on a daily basis, right through the middle of a residential corridor—right through residential streets. Secondly, the odours will have an impact on potential house values and on the quality of life and amenity for those who are living adjacent to or near the bitumen plant. Thirdly, it would effectively destroy the Hastings and Crib Point submarine project. That project is a community project. What has happened here is that the Port of Hastings has allowed the proposal for a bitumen plant to effectively rule out a longstanding community proposal by taking the land, which had been allocated for a community proposal, away from the Oberon submarine project—the HMAS *Otama*, a submarine that was gifted by the Commonwealth, along with an additional \$450,000, to the town and the community of Hastings and Crib Point. It would destroy that project.

For all of those reasons, this is not acceptable. Moreover, it is a breach of an express, clear and absolute promise made by the current state government of Victoria prior to the state election of 2006. I repeat: it was an express, clear and absolute promise that there would be no bitumen plant in Crib Point.

Going forwards, I have written to the Minister for Roads and Ports, the Hon. Tim Pallas, seeking two things: firstly, a meeting; and, secondly, an undertaking that this proposal not only will not be allowed to proceed but will not be allowed to derail the Hastings submarine project. The Western Port Oberon Association is a group of locals. They have worked on this for five years. They have been the victims of a long process of indecision by the state government in relation to a series of sites. The bitumen plant should not proceed. The submarine project should be approved immediately. *(Time expired)*

Human Rights: China

Mr DANBY (Melbourne Ports) (9.48 am)—I want to join the chairman of the US congressional committee on foreign affairs representative, Tom Lantos of California, in expressing his concern that the Beijing Olympics not be used as a catalyst for oppression by the government in China. Nearly one-tenth of the population from scattered hamlets in Tibet—250,000 Tibetans—have been relocated forcibly by the Chinese communist regime to ‘socialist villages’. The broader aim of this forcible resettlement seems to be, according to a report in the *Australian*, to remake Tibet, a region with its own culture, language and religious traditions, and give firmer control to the central government. ‘China is pouring hundreds of millions of dollars into road building and development projects in Tibet, boosting the economy, maintaining

a large military presence and keeping close tabs on the locals via a vast security apparatus of cameras and informants.' Human Rights Watch reports that peasants must take out loans of several thousand dollars to pay for these houses, which cost an average of \$US6,000, even though annual rural incomes hover around \$US320 in the deeply impoverished region.

In that context it is worth, sadly, recounting that more than 10 years have passed since the Panchen Lama, the No. 2 person in the Tibetan religion, Gedhun Choekyi Nyima, went missing. He was arrested as a young child by the Chinese government. It is also nearly 10 years since the Catholic bishop Su Zhimin was arrested by the Chinese government. I call on the authorities in Beijing to release these two religious leaders before the Beijing Olympics. It is simply not good enough for the world to let China have a prestigious international gathering like the Beijing Olympics and ignore human rights in China or freedom for people there who are leaders of major religions. I find it personally quite shocking that a child who is the No. 2 in the Buddhist religion, the Panchen Lama, is held prisoner by the Chinese government. I also find it shocking that someone who is a bishop of the Catholic church is imprisoned in China, as are a number of other Catholic bishops who recognise, as do all true Catholics, the authority of Rome and not the authority of Beijing in terms of their own religion.

I conclude by noting that His Holiness the Dali Lama will be here in Australia again from 5 June to 16 June, and I think all Australian democrats of all Australian political parties will welcome him to this House. We think that the important message that he brings of the middle way of Tibetan autonomy within the Chinese federation is a moderate political program that the Chinese authorities should listen to. They should also free individual human rights activists, including all those internet activists, journalists and labour activists whose names will be presented to our Joint Committee on Foreign Affairs, Defence and Trade. (*Time expired*)

Brisbane Urban Corridor

Mr HARDGRAVE (Moreton) (9.51 am)—On many occasions over the last decade I have said very plainly that there are too many interstate trucks on local roads in the electorate of Moreton, mainly because there has been no local traffic plan—no plan to tell the trucks where to go. We put bigger and bigger trucks on the roads, we do not build roads that are suitable for those vehicles—we just expect them to use and find their way through suburban streets, some of them very small, most of them completely ill equipped for it.

Local people have been backing my efforts over the past decade when it comes to the Brisbane Urban Corridor—that is, Granard Road, Riawena Road, Kessels Road and Mount Gravatt-Capalaba Road. I am pleased to inform the House that, after a decade of urging, the state government have finally listened and they have erected a sign that tells the trucks to use the alternative route, the exact thing I have been calling for for a decade on behalf of local residents. In the meantime, the Australian government has delivered \$1.7 million in toll-free access to the alternative route that we have been pointing the trucks to. It is a toll road. The state government use this road to make money. It is the only toll road in the entire state of Queensland. It is the most purpose-built road for heavy vehicles, yet they put a toll on it. The \$1.7 million has taken 221,000 trucks over the last two years off this road at night, so residents between 10 pm and 5 am are able to get some sleep, and the state government now have put signs up telling trucks to use this toll road or else they will face fines. They have put load limits on the Kessels Road corridor. After a decade of telling me that it is a federal road and they cannot do anything about it, the state government have finally fessed up that they had the au-

thority to fix it, and fix it they could, and they are finally now doing it. They are monitoring trucks and asking them why they are on that road.

What I am concerned about is that all of this is subterfuge for a complete failure to have a proper local traffic plan. The effect of the state government's action so far with the toll road still in place is that McCullough Street, Sunnybank and Padstow Road through Eight Mile Plains are now wearing those heavy trucks. Beenleigh Road through Sunnybank Hills, Run-corn and Kuraby are now wearing those heavy trucks. Compton Road through Sunnybank Hills, Calamvale and Stretton are now wearing those heavy trucks because there is no local traffic plan.

All of those other roads are council and state government controlled roads. I call on the Brisbane City Council and the state government to recognise that their authority on those roads is absolute. They must ensure a couple of things: (1) through that road traffic plan tell the trucks to stay out of residential areas in order to get B-doubles off those roads and (2) get rid of the toll on the southern Brisbane bypass, the only tolled road in the entire state of Queensland, a road purpose built, and allow those trucks to use that road instead and direct them there. The big concern for local residents is that federal Labor still want to put more trucks through my area. They still want to see the widening of the Ipswich Motorway delivering more trucks to the Kessels Road corridor. That is their platform, and they stand condemned. (*Time expired*)

Parliamentary Education Office

Ms ROXON (Gellibrand) (9.55 am)—I know there are so many other portfolio matters that could be talked about in relation to the budget but we do not always get a chance to mention some of the important things that happen in our electorate. I am very keen to have the opportunity to do this here today because it relates to the excellent work of the Parliamentary Education Office, that have just last week conducted a fantastic training program in my electorate. We were extremely lucky to have them agree to come and do an outreach program in my electorate. We had over 1,200 children, mostly grade 5s and 6s, who went through the program.

I know that you, Mr Deputy Speaker Causley, and other members here have had students who have travelled to Canberra and had the benefit of the office's fantastic training skills and the role-play which gets the kids to be the Prime Minister and the Leader of the Opposition, the shadow health minister and the health minister and to debate a bill. They did that at Victoria University. They debated a bill, which they had prepared, about type 2 diabetes. The bill was about \$500 million being spent in a particular way. They had to argue for and against it. Some of them had put in enormous amounts of research and made very detailed statements. Others maybe put in less research on the topic but had done a lot of research about how many of us might behave in the parliament and had all of the actions and antics—some of which we would not encourage, but others of which kept their colleagues very entertained. It was a fantastic learning experience for the students.

Many of these students cannot come to Canberra because of the cost—not of getting into the parliament but of getting here, the travel and the overnight stay. I am very pleased that there have been some changes so that students who travel from Melbourne get a small contribution. That was the result of a lot of campaigning by many people but it still is not sufficient for many of the schools to be able to visit Canberra as part of their educational program. The

office coming to the electorate gave a huge range of students a new opportunity. They absolutely loved it. I am sure that among those students there are people who have become interested in politics and daily affairs and what happens in our parliaments and governments around the country in a way that they would not have been without this work.

I wanted to say a particular thank you to Rick and Erin from the Parliamentary Education Office, who were fantastic. I wish that there was more funding available for them to do more of these outreach programs across the country. I was particularly delighted that Victoria University agreed to participate because it meant that one of the sessions had all of the undergraduate teachers there to see how these methods worked and to see how the children actually lit up with the idea of being able to be in a role-play. It is something to which we have exposed not just the students but the next generation of teachers as well. I want to put on the record very firmly my thanks for the great work that the Parliamentary Education Office have done. (*Time expired*)

Gilmore Electorate

Mrs GASH (Gilmore) (9.58 am)—The new federal boundaries of Gilmore have been confirmed. I have made it my business to acquaint myself with the new areas of Gilmore and the people living there. I am grateful to my colleague the Special Minister of State and the member for Eden-Monaro, Gary Nairn, who has assisted me in the familiarisation process as I gradually move about. Over the last few weeks I have opened an outreach office in Batemans Bay which is located in the Stockland Shopping Centre and will be manned by both staff and volunteers. Because the electorate is so geographically elongated I thought it only fair to constituents to provide an accessible service rather than to expect them to travel to Nowra for an appointment. In addition I have instituted a series of regular village stops, an extension of a practice I have followed since becoming the member for Gilmore. Recently I was given a visual tour and a briefing by the Eurobodalla Shire Council on issues affecting the community, giving me a better appreciation of matters affecting residents in the new areas.

The Batemans Bay region is not only very picturesque but very vibrant. I know that many residents of the ACT visit regularly on holidays and day trips. The local economy depends significantly on the tourism dollar, so in that respect that part of the electorate has similarities with the Shoalhaven and Kiama regions. Recently I was made aware of some service problems with the Batemans Bay Hospital and, in that context, I will be working cooperatively with the state member for Bega, Andrew Constance, to see whether we can get a better deal for the community. In fact I have set up a meeting with local doctors to discuss that very issue.

Batemans Bay has also seen the establishment of a marine park by the New South Wales government and that has created some angst in the community. The approach by the New South Wales government in establishing the park has raised some questions reminiscent of a previous pattern that I have witnessed in other coastal areas of the Gilmore electorate.

My predecessor has achieved much during his term as member, and I am hopeful of building on that record. This will take a lot of effort by many people, and I am hopeful that in the months ahead I will be given ample opportunity to meet with local community groups and to listen to their hopes and plans. So far I have been made very welcome. As we get to know each other there will be opportunities identified where I can assist the community to obtain funding. For instance, this week I distributed a survey to gauge the feeling in the community

over the prospect of expanding the campus of the University of Wollongong in Batemans Bay. Of course, the announcement in the budget last night of further funding for universities bodes very well for the Batemans Bay complex.

With regular feedback of this kind, the aspirations of the community can be identified and energy focused on getting the best outcomes through a cooperative approach. I look forward to being elected again as the member for Gilmore and hope that between now and then I can show the people of Batemans Bay my sincerity in representing their views to government and being part of their community.

The DEPUTY SPEAKER (Hon. IR Causley)—Order! In accordance with standing order 193 the time for members' statements has concluded.

**HEALTH INSURANCE AMENDMENT (INAPPROPRIATE AND PROHIBITED
PRACTICES AND OTHER MEASURES) BILL 2007**

Second Reading

Debate resumed from 29 March, on motion by **Mr Abbott**:

That this bill be now read a second time.

Ms ROXON (Gellibrand) (10.01 am)—I rise today to speak on the Health Insurance Amendment (Inappropriate and Prohibited Practices and Other Measures) Bill 2007. The bill proposes to amend the Health Insurance Act 1973 to replace existing prohibitions on the payment of medical benefits for pathology and diagnostic imaging services. The new provisions are aimed at, firstly, prohibiting certain practices in relation to the rendering of pathology and diagnostic imaging services, including prohibiting inducements and other relationships between requesters and providers of pathology services and diagnostic imaging services; secondly, preventing payments for pathology and diagnostic imaging services that do not benefit patients; and, thirdly, encouraging fair competition between pathology and diagnostic imaging providers on the basis of quality services provided and the cost to patients.

These new provisions represent a response to persistent long-term claims that a minority of providers, particularly within the pathology industry, were providing payments or other inducements to practitioners so that practitioners would refer patients to them. For example, pathology companies and third parties acting for them have allegedly been offering inflated rents, gifts, lump sum payments and staff to general practices to encourage referrals. There have also been some reports of doctors actively soliciting inducements, gifts and benefits. Of course, it is always impossible for us to know the extent or veracity of a range of these claims, and I do emphasise that there is no suggestion that many of the providers who do great work for us in the community are participating in these practices, but there have nevertheless been persistent claims. There are I think very legitimate concerns for us to be acting upon and it is important that the government has taken some action to make sure that those people who are doing the wrong thing are able to be covered by the legislation and stopped from participating in these sorts of practices.

While current sections—129AA, which deals with bribery, and 129AAA, which deals with prohibited practices in relation to the rendering of pathology services—of the Health Insurance Act do contain a range of provisions addressing bribery, inducements, overservicing and prohibited practices relating to the provision of services, ongoing reports from within the pathology industry do allege that these provisions are being circumvented by operators who are

contravening the known intent of the legislation. The provisions have been ineffective in their deterrent and enforcement aspects for the relevant agencies. Medicare Australia and the DPP have been unable to successfully prosecute any alleged offenders.

Among the difficulties identified with the current provisions relating to pathology are that they are expressed very broadly, their scope is unclear, it is difficult to discharge the burden of proof, it is difficult to determine the preconditions for application of the relevant sanctions and it is difficult to establish the facts necessary to apply the relevant sanctions. The sections also apply differentially to requesters and providers of these services. Obviously, when this line of complaint can be made about the existing provisions, it is important to take the action that the government has taken so that we ensure that the people who are determined to get around the intent of those laws are able to be caught by the new provisions which we are debating in the bill today.

With regard to the current prohibitions that I have just listed, and the range of problems with them, the diagnostic imaging servicing provisions contained in division 3 of part IIB do not carry any criminal or civil sanctions at all. This bill sensibly repeals these sections and replaces them with a new part IIBA, which sets out new provisions relating to both pathology and diagnostic imaging services. These changes arise from several thorough reviews of the operation of Commonwealth legislation for pathology arrangements under Medicare. In 2002, the Department of Health and Ageing undertook a review of Commonwealth legislation for pathology arrangements under Medicare, including the Health Insurance Act. The final report was released in December 2002 and noted then that the legislative arrangements for regulating pathology services needed updating and streamlining. The report particularly highlighted the areas of offences and enforcement provisions. You can see from that that these problems have been around for some time. It has certainly taken some time to get where we are today, but we welcome being able to debate what will hopefully close down some of the persistent rumours and any untoward activities that some providers might be involved in.

After the review in 2002, in 2005 the Department of Health and Ageing commissioned a further review, undertaken by Phillips Fox lawyers, to specifically examine the pathology enforcement and offence provisions. The review included extensive consultation with pathology providers, professional and peak industry groups, state and federal government agencies, and consumer groups. The Phillips Fox review did not attempt to substantiate any of the actual allegations concerning inducements for service providers or claims that some medical practitioners were demanding payments from pathology providers; rather, the authors of the review accepted that 'the frequency and consistency of claims made across the sector generates a high level of confidence that such conduct is, in fact, occurring'. That was a quote from the review.

The Phillips Fox review made 52 recommendations, including the need to redraft the enforcement and offence provisions to express more clearly the government's intent to prevent benefits and bribes between pathology providers and requesters of services and to extend the application of provisions to create an enforcement framework that can be more effectively applied. The Minister for Health and Ageing, Mr Abbott, accepted the bulk of the Phillips Fox report's recommendations when he released the government's response to the report on 2 June last year.

It is clear from all of this background that the current legislation has proven ineffective in tackling persistent claims of overservicing and prohibited practices within the pathology sector particularly. Of course, we all know that, if there is inappropriate use—and this is why the government is acting sensibly—this is a great cost to Medicare and the health system more generally.

To put this in perspective for those who are listening to or reading this debate and do not always deal with the detail that we need to deal with in this place, 83 million Medicare-funded pathology services were performed in 2005-06, with approximately 10 million Australians accessing those services. During the same period, approximately 15 million Medicare-funded diagnostic imaging services—such as X-rays, ultrasounds, and CT and MRI scans—were performed, benefiting more than 6½ million Australians. This equates to expenditure in excess of \$3.2 billion, representing approximately 30 per cent of the total Medicare outlay in that year. This is obviously a big chunk of the Medicare budget. If there is anything that can be done to stamp out inappropriate practices, particularly when those practices pass on a cost—usually to the government—and do not necessarily benefit the consumer, then obviously action needs to be taken.

Of course, while it is impossible for us to quantify the level of inappropriate servicing in these sectors, the explanatory memorandum to this bill notes that a 0.5 per cent reduction in Medicare-funded pathology and diagnostic imaging services, by tackling inappropriate use of Medicare funding, would nevertheless result in a saving of approximately \$16 million a year. If this is a widespread practice, the savings would be much more significant. If it is not a widespread practice, that is still an amount of money that could be put to better use. Particularly in budget week when we debate these sorts of things, we know that there are plenty of worthy things that we can spend money on in the healthcare budget, and we do not want any of it to go astray because of these inappropriate practices.

Labor knows how important it is to get the most out of the healthcare dollar and will always support measures which will result in savings to Medicare and the health system more broadly. If even a fraction of inappropriate servicing by pathologists or diagnostic imaging services is tackled with this new regime, it will free up much needed resources for other areas of the health system.

Let me turn now to some detailed consideration of the provisions of the bill. Schedule 1 amends the Health Insurance Act 1973, the Medicare Australia Act 1973 and the Veterans' Entitlements Act 1986. Schedule 2 makes some minor procedural amendments to the Health Insurance Act and the pathology services regulations. The major amendments are to the Health Insurance Act and involve the repeal of the current prohibited practices provisions, as I have already mentioned, and insert a new part IIBA, which contains the new civil penalty provisions and offences relating to requests for both pathology and diagnostic imaging services.

The new part IIBA contains three divisions. Division 1 outlines procedural and definitional aspects related to the new part, including the meaning of 'requester' and 'provider', one of those issues that was dealt with in the earlier reviews. For pathology services, 'requester' means:

- (a) a practitioner—

defined in section 3(i) of the Health Insurance Act as a medical practitioner or a dental practitioner—

- (b) a person who employs, or engages under a contract for services, a practitioner;
- (c) a person who exercises control or direction over a practitioner (in his or her capacity as a practitioner).

For diagnostic imaging services, a ‘requester’ means a medical practitioner or, if the service is of a kind specified in regulations made under section 16B, a dental practitioner, a chiropractor, a physiotherapist, a podiatrist or an osteopath, or a person who employs or engages under a contract for services one of those people specified above. So attempts have been made with these new definitions to make sure that all people who might be involved in requesting these services are properly covered by the provision. A ‘provider’ of pathology service or diagnostic imaging service means:

- (a) a person who renders that kind of service;
- (b) a person who carries on a business of rendering that kind of service ...

I tell you what: from reading some of the section numbers that are in this bill, there must be a case to be made at some point, if ever there were some spare time, which I am sure the health department rarely finds, for doing some renumbering. The new section that I am going to talk about is proposed section 23DZZIF. I am sure even the tax act would be pushing it to find that sort of numbering. Nevertheless, that proposed section describes what is and what is not a permitted benefit. The new provisions are aimed at preventing the payment of inappropriate and unethical benefits in any form including money, property or services from a provider to a requester, either directly or indirectly, but are not intended to capture or prohibit legitimate commercial transactions. Amongst other matters, this proposed section deals with what is permitted in cases where a service requester, such as a GP, owns or part owns a pathology or diagnostic imaging service provider, or where a requester and a provider share premises—something that of course is increasingly happening as we see the growth of superclinics and larger GP clinics as some of these services try to co-locate for the convenience of patients.

New division 2 of part IIBA contains civil penalty provisions that are entirely new provisions for the Health Insurance Act and are imposed where a court is satisfied on the balance of probabilities that a relevant person, a requester or provider, has contravened the provisions. The maximum penalties under the civil penalty provisions are 600 penalty units or \$66,000 for an individual, including executive officers of corporations, and 6,000 penalty units or \$660,000 for a corporation. Under division 2:

- A requester must not ask for or accept a pathology or diagnostic imaging service-related benefit (other than a permitted benefit) from a provider or a person connected to a provider.
- A provider must not offer or provide such a benefit to a requester or a person connected to a requester.
- A provider must not make a pathology or diagnostic imaging service-related threat to a requester or a person connected to a requester.

The provisions may also be contravened by a requester or a provider if they know that a person connected to him or her has asked for, accepted, offered or provided such a benefit or made such a threat and they fail to report the person within 30 days to the Medicare Australia CEO.

The complexity of these provisions is designed to acknowledge one of the persistent allegations in this area—that it is not all in one direction: there are practices that people are concerned about by some who are running pathology services but there are also practices that people are concerned about by some who are requesting these services, such as GPs and others. So the redrafting and restructuring of this is aimed at covering all of those options. It may make tedious reading for those who are not involved with it, but it does seem to me to be an attempt to more thoroughly make sure that, when these practices do come to light, it is possible to effectively prosecute them. Ultimately, that is the only thing that is going to stop anyone who is determined to do the wrong thing.

New division 3 of part IIBA contains the criminal offences. Many of the elements of the offences are similar to the civil penalty provisions, but it is necessary, of course, to prove beyond reasonable doubt certain levels of intention and/or knowledge on the part of persons involved in the making or receiving of requests or benefits, or the making of threats. The maximum penalty for a division 3 offence is five years imprisonment or 300 penalty units.

Here is another good section. I am going to bore you, I am afraid, Mr Deputy Speaker, with a range of these. Under the new section 23DZZIQ there are two sets of offences—firstly, where a requester asks for or accepts a prohibited benefit, and, secondly, where a requester knows that another person has asked for or accepted a prohibited benefit and has not reported it to Medicare Australia. These offences are mirrored in the new section 23DZZIR, which deals with people who offer or provide the benefits. Section 23DZZIS provides that a person also commits an offence if they threaten a second person intending that that threat will induce a requestor of pathology or diagnostic imaging services to request services for a particular provider.

Notably, this bill makes explicit reference to executive officer liability in a number of new provisions. The elements required for executive officer liability mirror those in other Commonwealth legislation, such as section 54B of the Therapeutic Goods Act 1989. Obviously, again, this is an attempt to make sure not just that it is the particular professionals who will be covered by this but that, if there are others involved in owning businesses that might participate in these sorts of activities, they also at the highest levels will be able to be pursued and prosecuted if they are behaving inappropriately.

Items 39 to 84 of the bill amend various elements of part VB of the Health Insurance Act, dealing with the Medicare Participation Review Committee. Currently, in cases where persons have been convicted of Health Insurance Act pathology related offences or are considered to have contravened the prohibitions relating to diagnostic imaging services, the Medicare Participation Review Committee may take a range of actions, including making services provided by that person ineligible for Medicare payments. The bill amends part VB so that the jurisdiction of the committee applies on conviction of the new offences or a court order giving an order for civil penalties—obviously, again, just to expand the range of options that can be found if someone has been found to have behaved inappropriately.

Item 85 inserts a new part VIA, which outlines some of the details about civil penalties, including Federal Court powers and clarifying the relationship between civil penalty proceedings and criminal proceedings. The bill makes a large number of consequential and other amendments arising from the introduction of the new regime, which you will be pleased to know, Mr Deputy Speaker, I do not propose to go through in any detail today.

Schedule 1 also amends the Medicare Australia Act 1973 and the Veterans' Entitlements Act 1986. The Medicare Australia Act contains certain powers that allow authorised officers to require the production of information or conduct searches where there are reasonable grounds to believe that Medicare related offences have been committed. Items 98 to 109 of schedule 1 amend the act for these powers to apply to situations where it is suspected that a civil penalty provision might have been contravened. Obviously, again, it is trying to get all of the changes in a row. If we get our definitions clear and the nature of the offences clear, we need to have the proper powers to be able to investigate as well. Schedule 1 substitutes a new definition of 'approved pathology practitioner' in subsection 93E(9) of the Veterans' Entitlements Act to reflect amendments to the Health Insurance Act. Schedule 2 makes some minor procedural amendments to the regulations.

According to the government, these changes have been the subject of extensive consultations with pathology providers, professional and peak industry groups, state and federal government agencies, and consumer groups. Certainly the gestation period of the bill has been a pretty extensive one, so we would expect that within that time that consultation has occurred.

There are some media reports that suggest that the Australian Medical Association believes that there are already sufficient regulatory mechanisms in place to address inappropriate interactions between requesters and providers of pathology services. However, representatives of the Royal College of Pathologists of Australasia and the Australian Association of Pathology Practices have expressed support for the measures contained in the bill. I understand from the reports and discussions that the AMA's view is more that this is a belts-and-braces approach rather than one that is strictly necessary; however, the strong support from the others in the field makes it clear that there is acknowledgement that, if there are people doing the wrong thing, they need to be stopped—not only does it cost the government and the health budget a lot of money if there are abuses; it costs the rest of the profession some of their integrity. I am sure there is an interest to make sure that inappropriate practices are stamped out.

In line with this stakeholder support, Labor support this legislation because we are confident that the new provisions will prove more effective than the current enforcement and offence provisions of the Health Insurance Act in tackling prohibited inducements and other relationships between requesters and providers of pathology services and diagnostic imaging services.

We clearly understand that overservicing and prohibited practices in pathology and diagnostic imaging sectors—indeed, in any sector—serve to undermine the whole system and to cast a shadow over the good work done by the vast majority of providers who are doing the right thing. It is not fair that the majority of providers who are doing the right thing face commercial losses simply because they comply with the spirit of the legislation, while their competitors do not. Labor support legislative frameworks that encourage fair competition between providers of pathology and diagnostic imaging services on the basis of the quality of the services provided and the costs to patients, rather than inducements in other relationships. Performing unnecessary procedures is not just deceitful; it is wasteful and costly. It is costly to Medicare, it is costly to the broader health system and inevitably it is costly to the whole community.

Labor are committed to the universal provision of quality health care for all Australians. Past Labor governments built Medicare, and Labor believe that Medicare should be retained,

defended and strengthened. Labor know that Medicare is the cornerstone of our health system. Labor obviously do not and cannot support the abuse of Medicare. We support this legislation because we believe that Medicare must be protected from inappropriate use by deceitful service providers.

The major changes envisaged in this bill, in schedule 1, will take effect from 1 March 2008, some time out from today. The government has noted that this will allow stakeholders time to familiarise themselves with the changes and will aid in a smooth transition. If these problems have been going on for some time, there are many who would be impatient for those changes to be implemented immediately; however, it is understood that throughout the industry there are difficulties in ensuring that the transition happens smoothly and properly. That transition would have been a little smoother had the government already prepared regulations to accompany this new scheme. We do understand that, prior to the proposed commencement, the government has pledged to develop with stakeholders regulations that provide comprehensive details about specific elements of the reforms. As ever, it would have been helpful for all concerned, and particularly for us, if the government had been organised and interested enough to ensure that these details were available more broadly in time for the consideration of this bill. Notwithstanding this small shortcoming, Labor supports this bill and commends it to the House.

Mrs HULL (Riverina) (10.23 am)—Today I rise to support the Health Insurance Amendment (Inappropriate and Prohibited Practices and Other Measures) Bill 2007. This bill will ensure that a patient's access to pathology and diagnostic imaging services is not clouded by considerations other than a clinical need. The bill will strengthen Medicare, and allow the government to deliver on its commitment to act on the recommendations of the Phillips Fox review of enforcement and offence provisions of the Health Insurance Act as they relate to the provision of pathology services under Medicare.

Claims have been made, whether or not they are substantiated, that a minority of providers, particularly within the pathology industry, may make payments or other considerations so that practitioners will be more likely to refer their patients to them for service. This could, if it were true, lead to the ordering of excess services that may not be clinically necessary and may cause undue alarm and concern to patients about their health status. This perception by patients is of concern, and I believe this bill is a sensible way to overcome the potential of this issue arising. Clinical need should be the most important consideration in referring patients for tests to diagnose illness. Health, especially in rural and regional areas, has always been of great concern to me. I am pleased that this amending legislation will enforce penalties if this issue arises and medical practitioners are encouraged or induced by payments or other benefits to direct their patients to a particular provider.

I feel confident that I have a very good relationship with medical service providers within the Riverina, particularly the diagnostic services and pathology laboratories. I believe that each and every one of them is dedicated to providing the best service, and at a minimal charge to the patients at most times. But if there are concerns, particularly in the patient arena, then this legislation offers great comfort to patients. Particularly when you note the difficult times that people in the Riverina are experiencing with the ongoing drought and the downturn in their employment opportunities because of it, to have to pay for services that may not be required is just another burden. It is an extraordinary strain on the household budgets of the

many people who have chronic and ongoing diseases and who require more frequent treatments or visits to pathology and diagnostic imaging facilities than the general public.

I have great sympathy with the upsurge in the referral of patients, particularly to pathology and diagnostic imaging providers, by doctors. Consumer litigation has increased substantially in our modern age. If, as a doctor, I were in the position of diagnosing and treating a patient, first and foremost I would go to all lengths to ensure that the patient's needs were addressed because doctors, specialists and others in the medical profession are dedicated to patient care above and beyond all.

But underlying this there must be a certain feeling that, should you misdiagnose a patient for the lack of getting some other diagnostic tests done, now, more than ever before, there is the potential for a litigation case to be brought against you. It is a sad indictment on our community that we have become so focused on litigation and on making everybody personally responsible for outcomes that there is an underlying insecurity in many of the professions, not just the medical profession. I certainly feel that, in order to ensure that diagnostic facilities and pathology facilities are appropriately used clinically, there is a need to put in place comfort legislation such as this.

The amending legislation has three aims. One is to prohibit certain practices relating to the rendering of pathology and diagnostic imaging services, including prohibiting inducements between requesters and providers of those services. When you go to a doctor and get a pathology service referral or a diagnostic imaging referral it is written out on a particular service provider's letterhead. That may lead the patient to falsely assume that there is some type of connection between that doctor or that surgery and the provider of that service when that may not be the case.

It certainly has led to some confusion when patients maybe feel that they have to attend this service provider in lieu of the service provider that they may be more comfortable with. But of course we know that this is not the case. Even if a request is written out on a service provider's form, it can easily be taken to another service provider to fulfil the same tests—but sometimes the patient gets confused with that.

Another part of this amendment will prevent payments for pathology and diagnostic imaging services that simply do not benefit patients. In addition, these amendments will encourage fair competition between the many providers of services on the basis of quality of services provided and cost to the patient. Referrals should be made in the best interest of the patient, and in most cases predominantly those are the circumstances. Medical tests can be daunting for people, as they can indicate a new illness or an extension of an existing illness that could be worsening and could have become more serious. Patients do not need the added stress of potentially being part of a non-permitted transaction through medical professionals and diagnostic providers who may do deals to ensure that referrals are made to a particular practice.

The reforms are proposed to take effect from 1 March 2008, and the bill sets out new prohibitions relating to both pathology and diagnostic imaging services, as I have outlined. It would not be permitted for a commercial transaction between requestors and providers to be linked in any way to the number, type or value of the services requested. The provisions prohibit both requestors and providers from being involved in non-permitted transactions, including those that are channelled through third parties. These also include civil penalties where pathology or diagnostic imaging providers offer or provide non-permitted benefits or make

threats to requestors. I find it hard to believe that that could happen, but obviously there has been some view that this may be a practice in some areas. At no time do I think that the providers in my electorate are actually stooping to such a low level. I am very comforted that this bill will give them—and also the provider—the protection that they need. When some of these allegations may be made after this legislation is enacted, the providers and the referrals can clearly say, ‘That simply can’t be the case because there is legislation that prohibits that from happening.’ So everyone will be protected by the introduction of this legislation.

Providers and requestors will also be held liable when non-permitted benefits are asked for, offered or exchanged or when threats are made by someone connected to them. The relationships covered will include relatives, partnerships and any other close financial relationship. The prohibitions are supported by penalties of up to \$66,000 against individual requestors or providers or \$660,000 for corporations. It is not possible to quantify the Medicare outlays that may be saved through these measures, but with Medicare outlays on pathology and diagnostic imaging running at around \$3.2 billion a year, even if 0.5 per cent of the outlays was being saved by preventing inappropriate practices, this would mean a \$16 million saving to the budget per year that could be applied to other very worthwhile and worthy health areas.

Pathology and diagnostic imaging services, particularly in the Riverina, play a critical role in health care. In areas like the Riverina where sometimes services are few and far between, these services are almost an entire service of their own. The doctors—particularly in diagnostic imaging—play a critical role in early diagnosis and detection of breast cancer and many other cancers and many other forms of disease that can enable speedy treatment to take place for country people.

I applaud doctors who have diagnostic facilities in those areas. It is very difficult to get a workforce of diagnostic imaging doctors in country areas. We face a dire shortage of them. In the Riverina, many of these doctors have been committed to our region over long periods but have felt for many reasons that they have had to move and relocate in Melbourne, Sydney or other areas. We are now forced to fly in many diagnostic doctors from Adelaide and other places in South Australia to provide these services. By no means do I underestimate the performance of the doctors involved in diagnostic imaging services and the critical role that they play in my electorate. I congratulate them on their dedication. It is all very well to have radiographers and people who conduct tests, but to have that diagnostic facility—doctors diagnosing and reading all of these results—is absolutely imperative. We need to ensure that these doctors are still settling in regional Australia and that we are not reduced to fly-in fly-out services.

Pathology and imaging account for a significant amount of taxpayer funded outlays from the national health care budget. This is commensurate with the absolutely sensational diagnostic services that they provide. There are approximately 83 million Medicare funded pathology services such as X-ray, ultrasound, computer tomography, CTs and magnetic resonance imaging. MRIs are performed daily in my electorate. This expenditure equates to in excess of \$3.2 billion, which represents approximately 30 per cent of the total Medicare outlay in 2005-2006.

It is hoped that these changes will ensure that the small number—and I suspect that it is a very small number—of requestors and providers of diagnostic services who currently engage in inappropriate practices will cease doing so or be subject to significant penalties. If there is

any evidence that the provisions are not addressing such activities, the government will look at this in consultation with stakeholders further down the path. Also, criminal offence or civil penalty provisions can only be added by the passage of some additional legislation. I suspect that it will not be required and that we will find that this legislation will provide comfort and security to both the practitioner and the patient.

As with tax avoidance legislation, we need to keep pace with any potential underhanded rorting whatsoever of the system. This is not picking on pathologists and radiologists or the doctors who refer to them; it is purely providing a support and safety network for the referral, the referrer and the referee. The legislation review process has taken four years and has involved close consultation with the professions and the related industries. The final shape of the bill has taken into account that a one-size-fits-all solution simply does not fit both the pathology and the radiology industries.

The review of pathology enforcement and offence provisions included the preparation and dissemination of an issues and options paper back in January 2005. The paper was distributed for comment to all the relevant government agencies, the pathology providers, the pathology professionals, the peak industry organisations, the state and territory governments, the medical registration authorities and the peak consumer groups.

Again, I wish to emphasise my support for the amendments in this bill because not only do they ensure that patient access to pathology and diagnostic imaging services is not clouded by considerations other than clinical needs but they also provide a security that will underpin the pathology and diagnostic imaging services. If there is some allegation that inappropriate practices are taking place due to some ill-informed or little understood way of how procedures should take place, then the provider can always refer back to this bill and say: 'This simply is not happening. It cannot possibly happen because there is legislation and there are very appropriate fines that prevent such practices from occurring.' So the integrity of the service provider is kept absolutely intact.

I congratulate the minister on his cooperation in working with and involving all industries in the lead-up to the presentation of this bill. Again, I congratulate the industry on its cooperation with the department and the minister. The industry certainly was not dragged kicking and screaming to support this legislation. It understands the issues and perceptions that can arise. It is every bit as interested in ensuring integrity in our system as the government is interested in ensuring that the industry cannot possibly make any illegal use of the healthcare budget and that the healthcare budget is used only for its intended purposes. I commend the bill to the House.

Ms HALL (Shortland) (10.41 am)—The Health Insurance Amendment (Inappropriate and Prohibited Practices and Other Measures) Bill 2007 is important legislation because it guarantees the integrity of the system and ensures that we get the best use of our health dollars. The bill amends the Health Insurance Act to replace existing provisions regarding the payment of benefits between providers and requesters of pathology and diagnostic imaging services with new provisions aimed at prohibiting certain practices in relation to rendering pathology and diagnostic imaging services, including prohibiting inducements and other relationships between requesters and providers of pathology services and diagnostic imaging services, preventing payment for pathology and diagnostic imaging services that do not benefit patients and encouraging fair competition between pathology and diagnostic imaging providers on the

basis of quality of service provided and cost to patients. These are very important issues. It is extremely important that the integrity of the system is guaranteed and that patients are not referred off for services that they do not need—that is contraindicated; it is against the best interests of those patients. Ensuring that the system is fair, that there is a level playing field, is vital.

I note the recommendations of the review commissioned by the department of health and undertaken by Phillips Fox lawyers, which specifically examined the enforcement and offence provisions of the Health Insurance Act as they relate to the provision of pathology services under Medicare. The Phillips Fox review was a response to claims that a minority of providers—I emphasise here that it is a minority of providers; it is not widespread—particularly within the pathology industry, were providing payments or other inducements to practitioners so that practitioners would refer patients to them.

The member for Riverina referred to service providers' referral forms. Most doctors will fill out the referral form of a particular service provider. Doctors will refer a patient to a pathologist or a diagnostic imaging service that is appropriate for the test or service that their patient needs or, alternatively, one that is located in the vicinity of where they live or one that they can easily access.

I do not see the fact that a doctor fills out a particular referral form to a particular pathologist or diagnostic image provider as the issue. The issue is where inappropriate inducements are offered. Whilst the Phillips Fox lawyer investigation did not go into this in detail, they said there was clear anecdotal evidence that it did occur and therefore it was very important that this issue be addressed.

It is important to put on the record that for the 2005-06 year, there were 83 million Medicare funded pathology services performed, with approximately 10 million Australians accessing these services. During the same period, approximately 15 million diagnostic imaging services were performed. That is X-rays, ultrasounds, and MRIs, which benefited 6.5 million Australians. This equated to \$3.2 billion. That is approximately 30 per cent of the total Medicare outlays in 2005-06. Therefore, it is imperative to ensure that the services that are paid for are appropriate services and that there is no inappropriate servicing prompted by providers paying inappropriate benefits to requesters. It has not been quantified, but the anecdotal evidence is there and it has been tagged at about \$16 billion a year.

This legislation will, I believe, remedy the situation. This legislation will ensure the integrity of the system. I probably should mention the kind of inducements that have been referred to anecdotally. They include things such as gifts, lump sum payments, providing staff to practices and inducements to encourage referrers to refer to particular services. I think one of the most important things for us as a society, when we are looking at the kinds of services that are prescribed and the kinds of services that patients have, is to know that those services are needed and that the integrity of the system is guaranteed.

It is interesting to note that the interest groups have basically supported this. The AMA do not oppose the actual legislation although they have stated that they do think that there are currently sufficient regulatory mechanisms in place. The Chief Executive Officer of the Royal College of Pathologists of Australasia, Dr Debra Graves, is reported as having argued that while the problem is not widespread, there are reports of a small number of practices that have not acted appropriately. It is this behaviour that the anti-rorting legislation will target. So

the pathologists themselves see that this is important legislation. It is important that it is supported.

It is clear that the current legislation has proved ineffective in tackling this problem. That is why we need this new legislation and why all members in the parliament should support it. Persistent claims of overservicing and prohibited practices within the pathology and diagnostic imaging sectors undermine the integrity of the system and increase the cost of payments to that sector when scarce healthcare dollars could be used in other areas. On that point alone the legislation that we are debating today should be supported.

These changes to the Health Insurance Act arise from several thorough reviews of the operation of Commonwealth legislation for pathology arrangements under Medicare and have been the subject of extensive consultation with pathology providers, professional and peak industry groups, state and federal government agencies, and consumer groups, so they have the support of people and organisations that are involved in the industry. We support this legislation because we are confident that the new provisions will be more effective than the current enforcement and offence provisions of the HIA in tackling the problem that has been outlined.

There have been persistent reports of overservicing and prohibited practices in the pathology system and also in diagnostic imaging services and it is imperative that these things be removed. The overservicing in some cases, particularly when you are looking at people being overexposed to diagnostic imaging, can actually be harmful, so it is a health issue as well as a dollars and cents issue. As a person who is passionate about health and passionate about Australians getting the best quality health services available, I see that this legislation will lead towards that. I am totally committed to Medicare and see it as the cornerstone of our health system, and I see this as a way of strengthening Medicare and stopping some practices that could be undermining Medicare. I know it is important that we get the most we can out of the health dollar and I think that, if certain sectors are overservicing and inappropriately spending that health dollar, it is not in Medicare's interests or the interests of the Australian people.

All of us in this parliament should be committed to seeing that the health services Australians get are the health services they need and not health services that are being driven by alternative mechanisms. I am very happy to support this legislation. Legislation like this is definitely in the interests of Medicare and in the interests of the Australian people.

Mr CADMAN (Mitchell) (10.54 am)—The Health Insurance Amendment (Inappropriate and Prohibited Practices and Other Measures) Bill 2007 has been approached in a very unusual way. We have in the explanatory memorandum the setting out of options and choices available to the government in the pathology area. Then we have the pros and cons: doing nothing, minor fiddling and redrafting proposals, which are the key options. They are set out in tabular form, together with the impact on Commonwealth, state and other authorities. And then, by a process of deduction, the explanatory memorandum takes the reader through the process to finally announcing the government's decision, which is to wipe out sections of the act and redraft and reattempt the management of this area.

In early 2000, the Commonwealth initiated a review of Commonwealth legislation for pathology arrangements under Medicare. That was supposed to report back in December 2000. The problem with some of these things is that, when you send them off to an expert group, they can have a life of their own. This one certainly did. It was supposed to take them nine

months to meet that December deadline; it took them two years and nine months. They finished the job in December 2002.

The review concluded that the legislative arrangements for regulating pathology services needed to be updated and streamlined because they wanted to have bribery and prohibited offences provisions in the Health Insurance Act. As a result, the Commonwealth commissioned Phillips Fox to evaluate the effectiveness of the current enforcement, to identify the compliance arrangements that also apply to providers of pathology services, to identify different options for compliance regimes and to evaluate each of the identified options. That provision has been moved into the explanatory memorandum, which really runs the argument of the 'do nothing' proposal. Option B is to amend the existing provisions, and option C is to repeal and replace the existing provisions.

What the government wanted to achieve with this was to reduce the inappropriate expenditure for pathology and diagnostic imaging services provided under the MBS and to ensure that competition between providers of pathology and diagnostic imaging services was based on quality of service and cost to patients and not skewed in favour of those who provided the benefits to requesters of pathology and diagnostic imaging services. They were saying that the radiologists and radiographers are the providers of the service and so this service should not be set up to suit them but be set up on the basis of quality of service and cost to patients. That requirement of the government was a very sensible approach.

In order to achieve these objectives, the government decided it would revise the existing provisions to clarify the intention of the current prohibitions and it would extend the current provisions to include requesters of pathology and diagnostic imaging services. So, for the first time, the requesters of pathology were going to be included in the group that must comply with some sort of regime of integrity so that you would not have anybody through the back door requiring more requests of diagnostic imaging and pathology services than was sensible.

We went through this at the beginning of Medibank. The case of Dr Geoffrey Edelsten was notorious. As the House may remember, he had a regime of his own. My office, incidentally, was right next-door to his first surgery. There were deep pink carpets, a grand piano was played day and night for those who visited, there was a playground for the children and there were all of these very salubrious—

Dr Southcott—A disco.

Mr CADMAN—A nightclub, almost. There were dimmed lights. And Geoffrey Edelsten had a pink helicopter and a lovely wife or girlfriend—I do not know which.

Dr Southcott—Leanne.

Mr CADMAN—Leanne—that is right. Those circumstances bring back to my memory what has been dealt with here in a more refined way. The House is looking at a refining of the limitations that should be put on professionals in the way in which \$1.6 billion of Commonwealth funds is spent. It is a large amount of money and it is open to abuse, so the Commonwealth looked at the various options. This legislation is a revamp of what is currently in place.

The key changes that the House is looking at include extending the prohibitions to include requesters of pathology and diagnostic imaging services; strengthening the prohibition on arm's length distancing between pathology and diagnostic imaging providers and requesters through the use of family, commercial and/or corporate arrangements—that is, company

structures or trusts, which link people together in a way which is poor corporate practice if one wants to achieve openness and clarity; and the broadening of definitions that could be interpreted as an inducement.

The legislation also looks at the introduction of mechanisms to ensure legitimate commercial transactions between pathology and diagnostic imaging providers and requesters; the creation of an expanded range of penalties to those that are relevant at the current time; the incorporation of Crown activities, such as those involving MBS billing by state and territory health authorities within the scope of the provision—gathering in everybody so there is no escape hole from the net that is cast over this provision—and the introduction of a ministerial exemption capacity within the legislation to enable sufficient flexibility so as to avoid unintended consequences. That is another sensible let-out for something that the community would regard as desirable, which allows the minister to declare that something should happen. Ministers are appointed to make decisions and they should be allowed to do so. I think that is a very sensible discretion for the minister.

Groups that were consulted and considered were the Australian government, the states and territories, pathology providers, diagnostic imaging service providers, requesters of pathology and diagnostic imaging services, and consumers. It covers a multiplicity of professions. It was a thorough process and we now have the legislation.

I endorse the legislation. I am particularly enthralled by the way in which the logic is argued. The clarity of the decision and the processes used to reach these conclusions are set out for an inexperienced reader. It should allow the medical profession and their financial and corporate advisers to understand the reasons for the government's decision. It should allow them to be able to chart a course of practice and conduct which is beyond question and which will clearly achieve the government's objectives—that is, to demonstrate quite openly and transparently that there is no link between the request for these pathology and diagnostic imaging services that is anything but appropriate and proper in the circumstances.

One of the complaints I hear from practitioners is that it is easy for a young or busy doctor to send somebody off to get everything done and, in some instances, just cherry pick the stuff that comes back that may be applicable to that person, whether they need to or not. Is it being super careful? Yes. Do we like medicos to be super careful? Yes, we do, but we also expect them to use some professional judgement gained by experience and through their knowledge, education and training. I believe this prohibition and its application, together with the penalties, is a very fine piece of work.

Being a member of the government members' health committee, I commend the minister and those involved with him for the way in which this legislation has been developed. I think the inquiry two years ago was a bit of a mistake or rather unfortunate because the community could have benefited from this legislation then. I commend the bill to the House.

Mr LINDSAY (Herbert—Parliamentary Secretary to the Minister for Defence) (11.04 am)—Thank you to all of the members who have spoken on the Health Insurance Amendment (Inappropriate and Prohibited Practices and Other Measures) Bill 2007, both opposition and government—the members for Gellibrand, Riverina, Shortland and Mitchell. I appreciate their contributions to this debate. The bill before the Main Committee today addresses the limitations of provisions in the Health Insurance Act 1973 relating to pathology and diagnos-

tic imaging services funded under Medicare. There is strong public interest, particularly taxpayer interest, in the provisions in this bill before the parliament today.

The bill amends the act to more clearly express the government's intention to prevent inducements between providers and requesters of pathology and diagnostic imaging services. From a policy perspective, it moves to safeguard the public interest and protect Medicare from those very few people who wish to put greed ahead of good practice. We want to ensure that pathology and diagnostic services are referred and provided only in the best clinical interests of patients. We want to ensure that access to Medicare in these areas is not a licence to corrupt the system for personal or corporate gain. I stress, though, that, in the view of the government, the professions and industries of pathology and radiology do not have widespread problems in this regard, but we all agree that public confidence demands prudence and the ability to take effective action against those who let the whole of the community down by their wrong and unethical actions.

The amendments before the parliament have three main aims: first, to prohibit inappropriate practices relating to the rendering of pathology and diagnostic imaging services, including prohibiting inducements between requesters and providers of those services; second, to prevent payments for pathology and diagnostic imaging services that do not benefit patients; and, third, to encourage fair competition between providers of those services on the basis of the quality of services and their cost to patients.

The revised provisions define commercial relationships that are permitted between those who can request Medicare funded pathology and diagnostic imaging services and those who provide those services. They prohibit requesters and providers from being involved in non-permitted transactions, including those that are channelled through third parties. In other words, they give the legislation compliance and enforcement teeth that it has never had before. The provisions include civil penalties where pathology and diagnostic imaging providers offer or provide non-permitted benefits or make threats to requesters. The bill also prevents requesters from asking for or accepting non-permitted benefits from providers. Similar exchanges of benefits or threats will represent a criminal offence subject to a penalty of up to five years imprisonment where it can be shown that the person intended to induce the requester to request services from a particular provider.

Some stakeholders have raised concerns that the legislation may contain unintended loopholes allowing some inappropriate practices to continue. The government are confident that the legislation and the regulations that will underpin its implementation will address the substance of these concerns. However, we are still considering relevant stakeholders, and the government reserve the right to introduce amendments in the Senate if necessary. These reforms will take effect from 1 March 2008. This will allow everyone to familiarise themselves with the changes and aid a smooth transition to new ways of doing things.

I note that the shadow minister, the member for Gellibrand, made some criticisms of the time taken to conduct these reviews and make consequent legislative changes. As she would understand, this is a highly delicate and sensitive issue for practitioners and the industries in which they work. It was definitely, in the government's view, a matter of 'hastening slowly' and working with the profession and industry, as we share a common interest in stamping out practices when they occur that affect the reputations of all of us. The best result is not a

rushed result. For the same reasons, the government decided to pass this legislation before finalising the regulations to give it full effect.

We depend on the deep specialist and corporate knowledge of the industry and profession to implement these changes. By passing this legislation we are giving them assurances about the boundaries of the detailed regulation so that they can work with us with confidence. Therefore, the government undertake to work closely with stakeholders during the development of the regulations to ensure that they do not produce any unintended consequences and so they reflect best professional and corporate practice. We will also ensure that the changes are well understood by those who may be affected. In closing, I would like to thank both government speakers and members of the opposition who have supported this bill. That support is very much appreciated. On behalf of the government, I commend the bill to the House.

Question agreed to.

Bill read a second time.

Ordered that this bill be reported to the House without amendment.

VETERANS' AFFAIRS LEGISLATION AMENDMENT (2007 MEASURES No. 1)

BILL 2007

Second Reading

Debate resumed from 28 March, on motion by **Mr Billson**:

That this bill be now read a second time.

Mr GRIFFIN (Bruce) (11.11 am)—I commence by saying that the Labor Party supports the Veterans' Affairs Legislation Amendment (2007 Measures No. 1) Bill 2007. The bill amends the Veterans' Entitlements Act, the Military Rehabilitation and Compensation Act and the Income Tax Assessment Act. There are a range of amendments principally to the VEA to formalise current practice and policy, better align the VEA with the Social Security Act, correct unintended and unfair consequences of the drafting of veterans affairs legislation and improve the department's administration. These amendments touch upon the income and assets test, the tax treatment of veterans pensions and assets, bereavement payments and eligibility criteria for assistance and compensation. These amendments are mostly of a technical and housekeeping nature. I will go to the specifics of some of the amendments for the benefit of the House.

The amendments to the Veterans' Entitlements Act cover issues such as the written notification of income support pensions decisions. This will require the Repatriation Commission to provide written notification of its decisions in relation to a number of claims and other matters, in line with current practice, and make a written record of that determination, setting out its findings on questions of fact, evidence and reasons for its determination. The commission will also be required by law to provide a copy of the decision, findings and rights of appeal to the claimant, except where it is of the opinion that the information is of a confidential nature.

In addition, the family assistance payments will ensure that additional one-off payments of family assistance under the Family Assistance Legislation Amendment (More Help for Families—One-off Payments) Act 2004 are not counted as income under the act. This will bring the VEA into line with the Social Security Act, which exempts one-off payments to families from the income test. It will also ensure that the disposal of assets provisions do not apply

where the assets' disposition took place more than five years before the person or the person's partner became eligible to receive a service pension or income support supplement, or less than five years before the person or person's partner became eligible and before the time that the disposer could reasonably have expected that the person or person's partner would become eligible to receive a service pension or income support supplement. It will also expand the definition of compensation-affected payment to include supplementary benefits so that, in cases of overpayment, supplementary payments will be recoverable where primary payments are recoverable, in line with the provisions of the Social Security Act.

The bill will amend the bereavement payment provisions to ensure that, where a deceased person's payments include the Defence Force income support allowance, the bereavement payment provided to the surviving partner or carer also includes that allowance. It will also amend the income and assets test for the service pension and income support supplement so that, where an asset is disposed of for less than its full value and adequate consideration is later received, the application of the deprivation provision can be cancelled or disregarded. It will also expand access to rent assistance for special rate disability pension recipients to amend an unintended provision of the VEA that precludes access to some SRDP recipients on a reduced rate due to compensation income from another source for the same injury or illness.

Under schedule 2 there are a range of amendments to the Military Rehabilitation and Compensation Act 2004. The bill will amend the MRCA to clarify and broaden the definition of service injury or disease to include those injuries or diseases contracted or aggravated as a consequence of medical treatment for an earlier service injury or disease. The schedule will also amend the onus of proof provisions of the MRCA to cover both persons claiming for the acceptance of liability and persons claiming for compensation. This will apply to an injury sustained or disease contracted and to injuries or diseases aggravated before, on or after the commencement of this item, from 1 July 2004.

Further amendments, which relate to tidying the Military Rehabilitation and Compensation (Consequential and Transitional Provisions) Act 2004, reflect earlier amendments to the VEA. The bill will also explicitly list the income support supplement as a payment that is exempted from the requirement in the Income Tax Assessment Act to provide a tax file number, and it will also clarify the taxable status of the Defence Force income support allowance payments in line with the tax treatment of the payment that it substitutes, such as the basic rate component of the ordinary age pension or the disability support pension. Thus the DFISA payment will be tax exempt in respect of those components of the payment for which the age pension payment is also tax exempt under the ITAA.

As I said, the act is largely administrative, of minor note, but is important for ensuring we have an effective operating system and administration which provide for the needs of the veterans community. We must make sure that, through those processes, we have a system which looks after those who have served our country so well.

In that context, it is an opportunity to also make some comments regarding the system overall, particularly departmental administration issues. One issue that concerns me greatly is the time it has taken the Department of Veterans' Affairs to process claims. The 2005-06 annual report for the Department of Veterans' Affairs revealed a dramatic increase in the time it takes to process veterans claims, particularly those relating to injury claims. The time taken to process a primary compensation claim under the Veterans' Entitlements Act is recorded as 106

days, while the target is 75 days. That is a 40 per cent increase over the department's target. The mean time taken to process primary injury claims under the Safety, Rehabilitation and Compensation Act ballooned from 122 days in 2004-05 to 181 days in 2005-06. This is a 48 per cent increase since 2004-05. The mean time taken to process primary injury claims under the Military Rehabilitation and Compensation Act has blown out from 90 days to 146 days, up 62 per cent since 2004-05. The time taken to process new impairment claims under the Military Rehabilitation and Compensation Act has dramatically ballooned from 26 days to 130 days—up 400 per cent since 2004-05.

These figures are part of an overall picture that is not very pretty. The latest figures that I have been able to obtain from the Department of Veterans' Affairs have revealed that 4,570 claims have exceeded the average time taken to process a claim. This backlog included 2,583 claims for a disability pension, 956 claims for compensation under the Safety, Rehabilitation and Compensation Act and 545 claims for compensation under the Military Rehabilitation and Compensation Act.

The high number of overdue veterans claims comes after the department revealed that they had been forced over the last two financial years to implement a net national reduction of 12.5 per cent in staff allocated to process compensation claims under the Veterans' Entitlements Act. The department have said that the reduction of staffing was made in order to meet the government's budget allocations. The minister should not be cutting staff or resources to his department when they are failing to meet their current obligations. One thing that must be understood, and understood clearly, is that veterans and ex-service personnel are often at their most vulnerable during the claims process. Emotionally and physically the process can be very draining for people. Veterans and ex-service personnel deserve more. They deserve respect and a timely consideration of their claims rather than a long and drawn-out process. It is the government's responsibility to ensure that this happens. We are talking about people who served our country, and they deserve a lot better service than what they are getting from the Howard government.

I know in response to this—because I have raised these issues in the past—that the minister makes the point that through flexible administration within the department they have been able to address some of these issues. We are still to see the evidence of that. He also makes the point that what happens on some occasions is that, effectively, because of the time taken for claimants to respond with paperwork et cetera and because the department does not have a stop-the-clock system, this leads to an appearance of greater blow-outs in the time taken for claims to be considered than is actually the case. Nonetheless, there is absolutely no doubt that there is still an issue that needs to be addressed and this government has to do something more about it.

When we go to that question about staffing in relation to the department and the administration of the department, in last night's budget it was revealed that the government intends to reduce the department's average staffing level again for the third budget in a row. If we go back through that time, average staffing levels in 2005-06 were 2,463 actual, down 24 from the year before, and in 2006-07 were 2,320 actual, down 143 from the year before. The estimate as proposed in 2007-08 appears to be a cut to 2,289, down some 31. We do not know where those positions are being taken from. We are not sure. We do not have those details yet. But we will be trying to seek some further breakdown through estimates and other processes.

I think we have to be really concerned that, with these problems identified in the annual report of the department, there are issues there which, frankly, need to be looked at. When we are still cutting staffing in a department who have a very important role to play in ensuring that veterans get a fair go, we have to think about whether in fact that is a good thing. I note the figures for the department are certainly well down from when you, Mr Deputy Speaker Scott, were the Minister for Veterans' Affairs some years ago.

It would also be remiss of me, given last night's events, not to talk briefly about some of the other issues which have come up in veterans affairs in recent times relating to benefits and administration and which were dealt with to some extent in last night's budget. I will be saying more this afternoon in the main chamber when the legislation dealing specifically with some of these items is considered, but I will take the opportunity to mention them briefly now. I make it very clear that Labor welcomes the announcement of a \$25,000 one-off ex gratia payment for Australian former prisoners of war in Europe or their surviving widows. These prisoners in fact missed out on the earlier decisions some years ago, which meant that prisoners of war of Japan and then later Korea received that payment. Certainly, we welcome on this occasion that matter being dealt with.

I also congratulate the government on moving on the issue of increasing funeral benefits for eligible veterans under the Veterans' Entitlements Act, doubling the benefit from \$1,000 to \$2,000. This has been a longstanding concern within the veterans area and is certainly a step in the right direction. It does not take into account fully what veterans under MRCA have available to them, but it is certainly an issue that needs to be dealt with, to a degree, and I congratulate the government on doing that.

It is good that the government has recognised the fact that special intermediate rate disability pensions have been eroded dramatically over the last 10 years in particular, but I also make it very clear that, although there has been a catch-up payment out of this budget, that catch-up payment does not deal with the complete erosion that has occurred over that 10-year period. Nor does it deal with the central issue of indexation, which has been the issue the veterans community has been concerned about right the way through that period.

I know the debate regarding the formula has been used as a justification for not acting on this matter over the years. I make it very clear that Labor support the catch-up payment that has been announced and will endorse that without any problem whatsoever, because we can see that there is a need for it to occur. But our commitment to implement indexation on a full basis which was made some days ago, prior to the budget, is still in place. We will do that after the next election. We will do it as a result of our first budget after the next election at the first indexation point post that budget, which will be September 2008.

In those circumstances, we want to make sure that TPIs and other severely disabled veterans are not put in a situation where every several years—every budget before an election—they have to come along cap in hand trying to catch up that which they have lost due to the erosion of their benefit with respect to community standards, because certainly that is what this payment is about. It does not address all of it, but the government's announcement is certainly the first catch-up payment over the last decade that, it can be argued, seeks to address the indexation issue. The only other catch-up payment that was made was directly in relation to the costs of implementation of the GST. So, yes, it is long overdue. It is short of what it probably should have been and definitely does not address the central issue which is, as of

two months time when this payment starts to be made, that the erosion will continue. That is the matter that the veterans community has been saying consistently needs to be addressed with respect to this issue.

I will make a couple of brief points about the budget. To ensure that veterans are not disadvantaged in any way, Labor will closely monitor the Howard government's announcements of increased compliance measures and the potential savings arising from the areas of disability pensions, medications and health treatments. We are awaiting more detail. On the face of it, the initiatives appear to be worth while. We need to make sure that we do not disadvantage the veterans community—which, in some respects, is quite fragile—in order to drive savings. That would not be a good idea, and it would strike at the heart of a system that is compassionate and ensures that our ex-service people and veterans get a fair go. I will have more to say about those issues this afternoon in the other place. Labor supports the bill before the chamber, and I wish it a quick and speedy passage through to the other place. Its implementation will assist with the overall administration of the entitlements for veterans. I commend the bill to the House.

Mr HARDGRAVE (Moreton) (11.26 am)—I am very pleased to speak on any matter relating to veterans affairs. I thank the member for Bruce for his generous observations—which is often the case as the veterans area of public policy is a fairly non-partisan one. Both sides of politics rightly appreciate that we could not be the sixth-oldest continuous democracy in the world had it not been for those who were prepared to serve our country at times of war—indeed, at times of peace—and to put on the uniform, which is something many of my generation have not done. I note that the member for Cowan will speak after me. It is most certainly something that he did. As a generation that simply inherited their good work, I pay tribute always to those who have served our country.

I will remark a little further on a couple of aspects. I recently returned from visiting some of our contemporary men and women in the ADF who are at work with the Royal Australian Air Force based in the gulf and with the Royal Australian Navy based on the HMAS *Toowoomba*. They are working in the northern part of the Arabian Gulf. The work they are doing there keeps alive the tradition of many generations of veterans. Australian servicemen and servicewomen have always gone out to make friends, even in the midst of the worst of conflicts. The men and women serving in our ADF today are keeping that tradition alive, and I simply say that everybody in this place—indeed, all around Australia—has a great reason to be very proud of the men and women of our Defence Force who are right now making friends in the gulf.

I have a story to illustrate that. A chap out of Brisbane—a lieutenant in the Navy who is involved in interdiction parties as part of securing assets belonging to the Iraqi people in the northern gulf and who boards a variety of fishing vessels and large freighter vessels—rang his wife, as he is allowed to do these days, and said, 'I want to seal a deal; I want to make friends wherever I go.' She sent up a carton of clip-on koalas and, now, every skipper on small fishing dhows or large international freighters gets a little clip-on koala every time the Aussies come on board. I use that story to illustrate the debt that we owe our veterans, the way the men and women of today's Defence Force are continuing that good work and the reputation we have earned, everywhere we have gone, of being decent and honourable. In the worst of conflicts, in the height of battle—or in times between battles—Australian service people have

always gone out to do the very best by those they are there to help and to work with. I am therefore very happy to support the measures contained in the Veterans' Affairs Legislation Amendment (2007 Measures No. 1) Bill 2007.

The member for Bruce, as the opposition spokesperson for veterans affairs, highlighted a number of matters contained in last night's budget. I do not wish to labour this for too long, but, like him, I welcome the recognition that prisoners of war in the European theatre of the Second World War were not the subject of *Hogan's Heroes* type treatment. Any time that someone is held captive by an opposing force is a dreadful time. In the very rich environment that we have in this country today—a result of the government's strong economic record but mainly because of the passion and ability of people in business to create wealth—we must go out of our way to distribute that wealth to those sorts of people. So I am pleased about that.

Also, the doubling of funerals benefits for veterans is long overdue. I am sure that the Minister for Veterans' Affairs will address the TPI and disabled matters that the member for Bruce raised, but it is worth saying that last night's budget delivered a special rate disability pension increase of \$50 per fortnight and an intermediate rate pension increase of \$25 per fortnight. Those with disabilities and infirmities as a result of war are never adequately compensated, but the government has stepped in the right direction with regard to that. As you, Mr Deputy Speaker Scott, would know because of your strong passion for the veteran community—not just when you were the Minister for Veterans' Affairs but consistently during your time in this place—the Clarke review looked very closely at whether or not the special rate pension should be considered. The government is always willing to take advice from the veteran community in these matters. I do not think that we can ever compensate veterans enough for what they go through, but we should always pay them a debt of gratitude.

Before dealing with the detail of the bill, I want to record my enormous lamentation. Mr Deputy Speaker Scott, you would have met this gentleman. Stan Crisp BEM—British Empire Medal—the Secretary of the Yeronga-Dutton Park RSL for many years and the receiver of the Centenary Medal, sadly passed away in the worst possible way. Sadly, in this country veterans die every day, but Stan was a hero at war, a hero in peace and a great worker in our community. His funeral is tomorrow. We did not see him at Ekibin Memorial Park or Gair Park this year—two events that the Yeronga-Dutton Park RSL organises. Stan lost his battle with cancer, which came upon him suddenly, but he lived to be a good age and worked very strongly in our community. He told me years ago, 'Go and get a bit of navy in you, son.' The main reason I was happy to visit the troops on HMAS *Toowoomba*, as I said at the Ekibin Memorial Park Anzac Day service, was Stan Crisp's urging. Stan, thank you. We are going to miss you, mate. Thanks for everything that you did.

This bill is going to make a number of technical changes to the way the Veterans' Entitlements Act and the compensation acts work. The definition of 'compensation affected pension' will be amended so that the telephone allowance, the advanced pharmaceutical allowance and the education entry payment, when paid to certain service pensioners and income support pension recipients, are included in the compensation recovery provisions within the act. This will ensure that any payments that have been made during a compensation preclusion period are recoverable under the compensation recovery provisions. Currently these payments are recovered directly from the pensioner separately to any overpayments, and we are making a change there. The change will have little impact on the recovery provisions, but will obvi-

ously deliver a far better service to the veteran community and also remove the indignity of the recovery process.

Equally, we are going to insert written notification requirements. There is not currently a legislative requirement. There are procedural guidelines which the Department of Veterans' Affairs follows which require the provision of these notifications. These amendments will ensure that pensioners are notified of any determinations regarding their income support entitlements. Again this will ensure that there is dignity through the process.

There are amendments concerning the receipt or return of adequate consideration of a deprived asset to promote greater fairness. The amendments remove the requirement for an asset to be double counted. I mean no offence to the Department of Veterans' Affairs folks who are here, but I find it strange that a lot of government departments are forever labouring our aged population, the older members of our population, with requirements to report things. I am not making policy on the run, but I suspect that, if you paid everybody above a certain age a pension and let the tax system sort it out, you could remove a whole pile of bureaucracy and reduce the impact on a lot of everyday people. I do not know why the oldest in our community are always being impacted upon.

I welcome this particular legislation because it also says to veterans: 'We're not going to impact upon you as much as we might have in the past by these sorts of procedures. In fact we are going to give you greater dignity by removing some of the inconsistency between the Veterans' Entitlements Act and social security law, for instance.' That is certainly the case in some areas in the way this particular legislation will operate.

There are changes regarding the bereavement payment for carer payment recipients under social security law that relate to the Defence Force income support allowance. It is intended to put social security income support recipients in the same position as they would be if their disability pension was regarded as exempt income. Including DFISA in the bereavement payment for carers will certainly achieve that intention.

There are various other changes, including rent assistance allowance for those eligible for family tax benefit and restoring a legislative base for paying rent assistance under the VEA to income support pensioners who are not eligible for family tax benefit. DVA have always paid rent assistance within the spirit of the intention of that legislation—that is, to income support pensioners. We are making these sorts of changes and these sorts of provisions to ensure that our veterans community is better served.

I do not disagree with the aspirations of the member for Bruce to do more. He has to work very hard as the shadow minister for veterans' affairs because the Minister for Veterans' Affairs, the Hon. Bruce Billson, works very hard. He is very enthusiastic and a bit of a Peter Pan in that I do not think he ever wants to grow old—a bit like the Minister for Ageing, really—and he embraces our veterans community. He listens to them and offers them respect—lest we ever forget the effort that veterans of the distant past, of the recent past and, indeed, of today have made for this country. I do not think we can ever do enough to repay that debt, their efforts on our behalf, but we must always be looking for new ways to serve them as they have served us. I commend this legislation to the House.

Mr EDWARDS (Cowan) (11.37 am)—The issues I want to talk about in relation to the Veterans' Affairs Legislation Amendment (2007 Measures No. 1) Bill 2007 go in some part to

the administration of the Department of Veterans' Affairs. My comments will also touch on the issue raised by the previous speaker about the fact that some people have to jump through hoops for a lot of government departments. I want to talk about some of the problems arising in the veterans community because of the multitude of agencies they have to confront.

I want to begin by referring to an article in the *Daily Telegraph* written by Ian McPhedran, a person who takes a strong interest in defence and veterans issues. This article was published on 2 May. I am not going to quote it all, but I want to quote some of it. The article begins by saying:

According to Veterans Affairs Minister Bruce Billson and some self-proclaimed armchair experts, there is an "industry" feeding off mentally-ill Australian war veterans.

This is a bit rich at a time when the Department of Veterans Affairs is spending record amounts of taxpayer dollars fighting the compensation claims of veterans.

The article goes on to say:

Even more disturbing is the fact that Mr Billson jumped on the bandwagon. Fresh from crying crocodile tears for veterans on ABC TV, Mr Billson whinged about aggressive legal firms sourcing potential veteran clients.

Just so the facts don't get in the way of a good story, Mr Billson would also know that legal firms have opted out of veterans work because they can't afford the pro-bono effort required to combat a litigious Department of Veterans Affairs with a bottomless bucket of taxpayer dollars.

That department spent \$5 million on private lawyers two years ago to fight veterans in the Administrative Appeals Tribunal and has devoted \$600,000 to a pilot program for using private law firms inside the DVA.

I also keep a fairly close eye on the emails that fly around the veteran community. A bloke that I have had a bit to do with over the years and for whom I have a lot of respect recently sent some emails to the minister and received a response from him. This is Normie Rowe, who is a very high-profile and well-known veteran. In one of the emails, Normie wrote:

But you know Bruce comparing our repat system with others doesn't do it for me, what would do it for me is if instead of trying to find ways of winding it down, Government saw it as important to proactively look for ways of making compensation accessible to those who deserve it.

Get rid of Writeways, they just muddy the water, and have access to files and documents a private company shouldn't have access to and that don't even have anything to do with the matter they are supposed to be "researching".

And then it would be a great step forward [if] Veterans were treated the same way upon return as they are sucked up to when they are sent off to war.

There is another email from Normie that I want to quote in part because it is pertinent to what I say here. He wrote:

... but if while I'm still alive diggers who deserve to be looked after are looked after, and don't have to fight for justice until they commit suicide, then I'll vote for and encourage others to vote for the party/ies who will save those lives. And will justly compensate diggers not sell them out.

Those comments lead into what I want to talk about today, which also includes the impact on veterans who have to deal with multi-agencies. I refer to a letter which is part of a report from a consulting psychiatrist. They were asked to do a report on a veteran who had returned from Afghanistan, who had been discharged from the Army and who has tragically committed suicide.

In quoting from this report I call on the Minister for Veterans' Affairs and the Department of Veterans' Affairs to look at their administration and at the way they are dealing with young men and women. It really worries me, as a veteran, that within the Department of Veterans' Affairs, within Defence, within government and within this parliament there appears to be a complete lack of understanding of post-traumatic stress, a complete lack of understanding of the impact on young men and women of the conditions they confront in a theatre of war and a complete lack of understanding of the trauma and the memory that those young men and women bring home with them. Trauma does not come about only as a result of action or confrontation with the enemy; it can come about from a whole range of things. It can come about from having to be constantly prepared, constantly on edge, for combat. It can come about from being constantly on the alert, constantly aware of what is happening around you and constantly prepared to immediately defend yourself. Fear and the concept of fear have a lot to do with post-traumatic stress disorder. In my view, it is not just about the actual combat. Perhaps it will become more apparent as I quote from the letter. The psychiatrist, in his general comments about the young man whom he had been asked to assess, wrote:

Although somewhat better rapport was established toward the end of the interview—

he—

was clearly reluctant to volunteer information during the assessment. Part of this appeared to be based on anger, frustration and irritation at repeated medical assessments and interviews, part I think is related to significant residual depression and anxiety symptoms in an individual who has been severely traumatised by his past experiences.

... ..

It does appear that the diagnosis that led to his discharge on medical grounds was Post Traumatic Stress Disorder. It also appears that, in parallel with this diagnosis—

he—

has experienced significant depressive symptoms with suicidal ideation at various points. A third medical condition that is referred to is the presence of Panic Disorder.

The psychiatrist says:

[He] currently feels unable to work. His reasons include an absence of motivation and drive, fear in some situations, his concerns over the impact of a "stress load" and his "state of mind". It was difficult to obtain more detail than the above and he responded with "don't know" to a number of specific questions.

... ..

He also complains of constant fatigue, marked irritability and a whole range of anxiety symptoms including dread, fear, apprehension and marked avoidance.

The vast majority of these experiences are trigger dependent.

I want to come back to 'trigger dependent'. The psychiatrist goes on:

Certain smells and noise can trigger these immediately. They are of a fluctuating pattern. He also describes sustained chronic suicidal ideation. He is clear that he has no current intent or plan and feels in control of his self-harm thinking. He also reports a reduction in concentration and attention which he feels then impacts on his short-term memory, which he describes as being reduced.

He also reports day/night reversal of his sleeping pattern, preferring to sleep during the day and being awake at night.

In terms of his mental state assessment, based on this history and examination—

he—

appeared as a—

young—

individual who looked his age and was neatly dressed and well groomed. The assessment was difficult because of his reluctance to speak spontaneously and disclose personal information ...

My assessment was that this difficulty in rapport was not because he was being difficult and deliberately withholding information. Rather, it was because of understandable frustration at having to repeat this process again, on a background of ongoing depressive and anxiety symptoms, many of which are still troubling him at this stage.

In summary—

he—

presents as a—

young man—

in a supportive relationship with a diagnosis of Post Traumatic Stress Disorder, depressive symptoms, Panic Disorder and stomach pain of unknown aetiology ...

In terms of his fitness for work, at present he is unfit for full-time work or part-time work of any nature. This is because, in addition to significant biological symptoms of depression and anxiety, he continues to have suicidal ideation which is chronic and sustained. It is unlikely that he will return to full-time work or part-time work until these symptoms have ameliorated.

The prescribed impairment of Post Traumatic Stress Disorder is an appropriate description of his retiring impairment. In addition to this however, the presence of depressive symptoms, Panic Disorder and chronic suicidal ideation are also significant impairments.

The consulting psychiatrist went on to say this:

My current opinion is that—

he—

is unable to perform any of these roles given his current mood and mental state. This is because his depressive and anxiety symptoms are still severe. In addition, his chronic suicidal ideation would render the completion of tasks under these roles unlikely. Furthermore, if he attempts to fulfil these roles the potential stress associated with this attempt may exacerbate his existing depressive symptoms and put him at higher risk of suicide.

Any veteran who has gone through the system, through the mill, and has had to jump through hoops and over obstacles will relate intimately to what I have just read into the *Hansard* because they know as veterans; they have had to do it themselves and they have had to confront these issues.

I spoke about how the vast majority of these experiences are 'trigger dependent'. I know things about post-traumatic stress disorder and I am no expert. I worked in the Vietnam veterans counselling service when we set it up in Perth. I have spoken to many veterans over many years. I am no expert on post-traumatic stress disorder but I know that a veteran can be perfectly fine for a period of time, then something will happen, a trigger will be pulled somewhere, and the veteran will fall into the worst patterns of post-traumatic stress disorder.

When veterans are forced to deal with multiagencies it is no wonder that their situation, their symptoms and their general health can deteriorate. It certainly happened in this case and, unfortunately, the suicide of this young man was not in isolation. One veterans organisation

tells me that in the last 12 or 18 months or so there have been five suicides that it is aware of. All were people who were dealing with the Department of Veterans' Affairs. For younger veterans, their dealings with the department are not made easier by having to deal with multi-agencies. It is something that the Department of Veterans' Affairs, the government and the minister must deal with. They must look at the situation which confronts the digger after they have been to war, been deployed and come home and after they have to deal with these issues.

This young man that I have spoken about was not put in the T&PI. They did not recognise the extent of his post-traumatic stress disorder. They put him in what is known as a T&TI, temporarily and totally incapacitated, which meant that the onus would have been on him to continue to fight the department, continue to go through assessment and continue to make himself available for those assessments. And who knows what triggered his suicide?

It is a tragic reminder of the impact of war, of deployment on young men and women. It is also true to say—in my view anyway—that it is not just deployment to a war zone that can cause post-traumatic stress disorder. When we send young men and women overseas on peacekeeping or peacemaking deployments we also run the risk of them contracting or coming back with post-traumatic stress disorder.

Post-traumatic stress disorder is real. In many ways as a veteran, I have been fortunate. I sit in a wheelchair. People can see my injuries. They are very obvious. I have never had to fight to have them recognised. I have had to fight with the department on a number of occasions, however, over other issues. But someone who comes home from a deployment who has post-traumatic stress disorder has a wound which is not as readily identifiable as mine or those of others in similar circumstances. Because of that, there is a tendency by some people in the department and in government to disbelieve the individual making the claim. I have no doubt that from time to time there are those who will try to use the system to their own advantage, but we cannot and should not penalise genuine individuals like this young man who I have spoken about today. We must give them the benefit of the doubt.

We must understand that post-traumatic stress disorder, having been better identified in recent decades, is a real problem for young soldiers, young men and women. We have to do better as a nation and as a government, and our departments who we charge with dealing with these veterans have to do better in the way they are handling these young men and women who present. I think much of that responsibility comes back to us in parliament. I am not convinced that the military compensation laws that went through this place a couple of years ago—and I said this at the time—act in the best interests of young men and women seeking compensation. We certainly have to look at the problem of multiagencies, and we have to stop making young men and women, like this young fellow who tragically committed suicide, jump through the hoops and have to front for continual and constant assessment. We have to do better than that. If we do not, we are going to experience, tragically, suicide within our veteran community.

Having said that, there is one matter I very quickly want to turn to. I want to compliment the minister on the support that he gave to the Operation Aussies Home blokes in Vietnam, Jim Bourke and his team, who have been fighting tenaciously for a long period of time to identify, and have fully accounted for, the six MIAs in Vietnam. I had the opportunity to go to the handover the other day of the remains of the two young 1RAR soldiers. It was very sombre, sad and humbling to be there for that handover. I congratulate Jim Bourke, his team and

the government team that were sent up there, and I congratulate the minister on the support he gave them. They have all done very, very well. My thoughts particularly on that occasion went out to the family. It must be important for them to have the closure that they now have because of the work of Jim Bourke and his team.

Mr MELHAM (Banks) (11.57 am)—With colleagues from both sides of the House I have recently been privileged to participate in local awards ceremonies to recognise our veterans with the Australian Defence Medal. This is one of many ceremonies I have been proud to be part of in my 17 years in parliament. At these awards, and indeed as I move around the electorate, I am constantly amazed by what these men and women have experienced and achieved. Our veterans served at Gallipoli, the battlefields of western Europe, northern Africa and the Middle East during the First World War. Whilst sadly there are no World War I veterans still with us, their legacy lives on in their children, grandchildren and great-grandchildren. Veterans also served in South-East Asia, the Pacific and New Guinea as well as Africa and Europe during the Second World War. Since 1945, they have served us proudly in the Pacific, Korea and Japan and helped keep peace in Africa. In the seventies they served us in Vietnam. Most recently they have served in East Timor, the Solomons, Iraq and Afghanistan.

Only last month I attended Anzac Day ceremonies together with the odd smoko in my electorate to recognise and to remember our coming of age as a nation. It is a wonderful experience to be present at a school acknowledging our veterans and to see the children grow in understanding of exactly what we are commemorating. The phrase ‘we salute their service’ is more than just words. It is a commemoration of their contribution to who we are as a nation.

The bill before us today, the Veterans’ Affairs Legislation Amendment (2007 Measures No. 1) Bill 2007, is a technical bill containing a range of amendments to the Veterans’ Entitlements Act 1986 and other acts which affect the Veterans’ Affairs portfolio. The amendments are minor housekeeping amendments which would correct some unintended consequences of the current drafting and better align the income support and pension arrangements under the Veterans’ Entitlements Act with those of the Social Security Act 1991.

I wish to take this opportunity, however, to make some remarks about our veterans. Too often we see on television or read in the newspapers about the health concerns facing our veterans—health concerns that are both physical and mental. A quick Google search provides a massive list of studies and statistics on matters relating to the health of veterans. Let me just refer to one. A story in the *Australian* newspaper on 29 January this year quoted from documents obtained under freedom of information laws. These documents revealed, as the article starts:

ONE in four Australian soldiers who served in Vietnam has made a successful claim for post-traumatic stress disorder.

One in four is a cruel reflection of what our Vietnam veterans have experienced. It is an appalling national figure. The article also states that there is now an impact on our service people from recent military operations in East Timor, Iraq and Afghanistan. The article goes on to quote Professor McFarlane, head of the University of Adelaide’s Centre for Military and Veterans’ Health and a senior adviser in psychiatry to the ADF. Professor McFarlane stated that post-traumatic stress could manifest years after the events that had caused the actual harm. He is quoted as saying:

“Someone can function extraordinarily well in combat and break down some years later.”

This is just one of many thousands of stories which indicate the extent of the illness we are dealing with. I can have little respect for a government that stands up and says how proud it is of our veterans and yet does little to ensure that they are looked after with special care on their return to civilian life. It is simply unacceptable.

I wish to refer to a letter I received from a returned serviceman from Picnic Point in my electorate. Mr John Shields wrote to me regarding the inconsistency of this government's current indexing of the totally and permanently incapacitated disability pension. To be eligible for a T&PI pension, a veteran must be in receipt of 70 per cent or more of the general rate disability pension; unable to work more than eight hours per week because of his or her accepted disabilities, and for those disabilities alone; suffering a loss of income that would not otherwise be lost; and under 65 years of age. There are also special rules for granting the pension to a veteran who is 65 years or older in recognition that this is normally considered pension age.

In my electorate of Banks, according to the Department of Veterans' Affairs statistics provided by the parliamentary website, there are 112 T&PI or special rate pensioners. Their average age is 72.22 years. Mr Shields drew my attention to an article in the Vietnam veteran newsletter dated March 2007. This article provides a copy of a letter from the Vietnam Veterans Federation of Australia to the Minister for Veterans' Affairs. The essence of the letter is the loss of value in the T&PI pension since 1979. The bottom line, according to the author of the letter from the VVFA, is:

The TPI pension was 47.3% of the average wage in 1997 and it is now 43.5%. The TPI pension is losing its value.

As I understand it, the T&PI pension is adjusted in line with the cost-of-living index. Incomes in the form of wages tend to increase at a faster rate than the cost-of-living adjustments. By 2004 the T&PI pension had lost \$78 in value because adjustments are made in line with the cost-of-living index rather than average wages. Prior to 1997 all Commonwealth pensions were increased in line with the consumer price index. There was a lag factor, as I indicated earlier, whereby wages increased more quickly than the cost of living; therefore, pensions were always behind. In 1997 the increases to almost all Commonwealth pensions were readjusted to reflect increases in the average wage rather than in the CPI. The exception was the T&PI pension. Recently there was another change, and 60 per cent of the T&PI has been indexed to movements in the average wage.

I fail to understand why this is the case. Why are T&PI pensioners any different to general disability pensioners, age pensioners or war widows? This simply does not make any sense. Labor has determined that this is a gross injustice and that it will resolve it if elected. The shadow minister, the member for Bruce, said at the ALP national conference on 29 April:

We need a Veterans' Affairs policy that focuses on restoring the value of compensation – it is not enough for a Government to introduce services, it must maintain them to avoid a recurring cycle of playing catch ups as we have seen with the current Government.

Delegates, the value of compensation for our most severely disabled war veterans has been eroding compared to the standard of living in the broader community. This is unacceptable.

The Labor government would restore the value of the T&PI intermediate rate and the extreme disablement adjustment pensions by indexing the whole of these pensions to movements in male total average weekly earnings or the consumer price index, whichever is the greater.

It is anticipated that such a change would directly impact on 43,000 war veterans with disabilities. Certainly, it would improve the lot of 112 T&PI pensioners in the electorate of Banks. In the budget, the Treasurer announced an increase of \$50 a fortnight for special rate T&PI pensions. I am pleased for these pension recipients that this increase has occurred. It is better than nothing, but surely the Treasurer and the Minister for Veterans' Affairs realise that there must be some certainty beyond the whim of any government in terms of these increases, which is why I suggest the formula be as I have stated. Certainty can quite simply be achieved by tying the pension rate to the male total average weekly earnings. It is not too much to ask that people know from week to week, year to year, exactly what they can anticipate in terms of their pension. There is no point in just waiting until a budget before an election for the anticipated increase.

The Labor leader and the shadow minister in a joint statement on 6 May estimated that under Labor's proposal the recipients of the T&PI pensions will be \$1,700 better off with their pensions building up to \$30 more a fortnight than they otherwise have been. Labor has listened to this country's veterans such as Mr John Shields of Picnic Point, and promises to act to fix the problem. This should not be a political issue for either side of politics. It should be an issue embraced by both sides of politics. Veterans deserve it. Anyone who puts on a uniform for this country deserves to be properly looked after when they return. They do not deserve to be ignored. They do not deserve the bean counters to continue to do a job on them as they have done year in and year out.

The budget delivered last night showed that we are awash with money. The veterans in our community should be looked after and dealt with the same as other recipients of welfare benefits in our community. They should not be discriminated against. They should not be treated in a way that is costing them thousands of dollars that they otherwise are entitled to. I do commend the bill to the parliament.

Mrs ELLIOT (Richmond) (12.08 pm)—I rise also to speak on the Veterans' Affairs Legislation Amendment (2007 Measures No. 1) Bill 2007. As we have heard from other speakers—let me say from the outset that Labor supports this bill—veterans affairs is an area which always requires improvement. It is certainly an area which I am very passionate about and I am very committed to being a very strong advocate for veterans and their families, not just in my electorate of Richmond but nationwide as well.

This bill addresses a number of housekeeping items in regard to veterans affairs legislation. Nonetheless, these are important amendments which streamline the process and regulations by which veterans access government services. These amendments will better align the income support and pension arrangements under the Veterans' Entitlements Act and those of the Social Security Act 1991. Passage of these amendments will see sensible changes that will actually help veterans and their families access those services of which they are most deserving. The provisions of the bill address anomalies from the original act and its subsequent amendments. Labor welcomes these very overdue changes.

As we have heard, this bill comprises five schedules. Schedule 1 details changes better outlining other compensatory provisions for veterans and their families, with particular reference to spousal income. In this sense, it better aligns the VEA with the Social Security Act 1991, which will result in less confusion for these families. Schedule 2 deals specifically with medical issues for returned service men and women. This is an area of veterans legislation in

which we can and must see improvement. It is so important to deal effectively with the ongoing health problems suffered by many veterans and of course the flow-on anguish which affects their families and loved ones and those close to them.

As we have heard other speakers say today, the experience of military service, particularly in armed combat, often results in both harrowing physical and mental conditions which are indeed very complex. In recognition of this, the process in which returned service men and women access these services should be as straightforward as possible. Of course, that cannot always be the case; nonetheless, this should not weaken our commitment in this area. Specifically, schedule 2 amends the Military Rehabilitation and Compensation Act 2004. It allows that any unintended or intended injury or disease arising from medical treatment for an existing service related ailment will be counted as arising from that original diagnosis. It allows provisions for the medical profession to deal with the health issues of veterans without the timely and confusing process of tracing liability—and this certainly is an overdue yet welcome provision within this bill.

Schedule 3 is straightforward, simply repealing redundant provisions that have been in the Military Rehabilitation and Compensation Act as a result of the amendments to the VEA that were later repealed and substituted. Schedules 4 and 5 deal with issues relating to veterans pensions and taxation. Schedule 4 will ensure that income support supplements for veterans included in the list of payments are exempted from the requirement to provide a tax file number to investment bodies for certain investments. So it brings the income support supplement in line with other payments claimed by veterans.

Schedule 5 deals specifically with Defence Force income support allowance payments. The provisions of this schedule align this payment with the way an ordinary age pension will be treated in regard to taxation requirements. Simply put, these payments will receive the same tax exemptions that exist on the age pension. Commencing on 1 July this year, this is a sensible provision which will help veterans and their families deal with taxation issues.

As I stated earlier, Labor supports these changes. They are uncontroversial, yet their debate gives this chamber an opportunity to reflect on the commitment that veterans have shown our country through their service and, indeed, the way we honour and respect that service. My electorate of Richmond has one of the highest number of veterans in the country. I am often touched by their stories and saddened by hearing of the difficulties they face, both medically and in accessing government services. Indeed, veterans and their families face a unique set of challenges—challenges which they should be assisted in dealing with by the full commitment of the Australian government. I wish that I could say that this is the case. The unfortunate truth, however, is that the Howard government has often neglected this group.

I want to touch specifically on the area of lack of resources provided for those veterans and their families suffering from mental health issues as a direct result of their service to Australia. Mental health issues for veterans are areas that are often misunderstood in terms of treatment as well as the government provisions available to those needing treatment. Of course, the complexities involved with these issues, particularly with post-traumatic stress disorder, are very involved. Simply put, there are not enough resources and there are not enough people trained to understand these complexities and the multitude of issues surrounding mental health for veterans. There is not enough support for families living day in and day out in these particular situations.

Veterans and their families often face an uphill battle in understanding and accessing the support services in this area and are very often reliant on underresourced non-profit organisations for very vital support. These groups, committed to helping veterans and their families wherever they can, of course do a wonderful job, but they are indeed facing an uphill battle. More resources are long overdue in both understanding and treating the difficulties faced by veterans once they complete their service. This is certainly an issue that I will continue to fight for. It is vitally important that we do have an improvement in services in this area.

The Labor Party recognises and understands the complexity of veterans affairs issues. These issues are on a number of fronts: health, including mental health, which I have just outlined; finance; and recognition of service, just to name a few. They are complicated issues which must be addressed of course by the whole community but ones in which the federal government should play a very vital and leading role. In response to this responsibility, the federal Labor Party has recently outlined its policy to increase benefits for our nation's most severely disabled war veterans. These are the men and women who have paid a staggering price in the service of our country and the men and women who have indeed been severely neglected by the Howard government.

Essentially, Labor's proposal will restore the value of the special rate disability pension—TPI and TTI intermediate rate. These pensions, on which thousands of veterans and their families rely as often their only source of income, have been steadily eroded by the Howard government. I was very pleased to see that a Rudd Labor government will address this gross injustice, particularly for the over 600 veterans in Richmond who will be direct beneficiaries of a policy such as that. Of course, the problem is one specifically of indexation. Over the last 10 years these pensions have been indexed only to the CPI. Estimates are that, because of this, the value of the pension has decreased. In the case of a special rate disability pension, the loss in value has been over \$70 per fortnight.

The Labor Party is committed to addressing this injustice. In 1997 the Howard government indexed a range of pensions, but the above rate general pension was not one of them. The undeniable fact of this decision by the government is that veterans are now struggling to meet the day-to-day increased cost of living. Federal Labor will index these pensions to the total average weekly earnings or the CPI, whichever is greater. This will of course have a very significant impact on thousands of families. It is the very least we can do for these men and women, many of whom have paid a very high price in the service of our country.

I urge the Howard government to see the humanity in this proposal and adopt it as soon as possible. I do not believe there has been another issue which has been of such sustained and passionate concern in the veterans policy area over the last 10 years as this particular one. Certainly many veterans in my electorate have approached me over the last few years concerning this matter, and I was very pleased to see the shadow minister for veterans' affairs and the opposition leader making this announcement last week.

As I said before, Labor stands ready to support any initiative that the Howard government makes in this area. We certainly encourage it to come forth and follow our lead and match that commitment. I was quite appalled that the veterans' affairs minister attacked this plan to increase the benefits. Federal Labor has challenged the minister to explain why he is opposing increasing these benefits. It is quite disheartening to see that Australia appears to have a veterans' affairs minister who does not appear to be supporting our veterans. I believe this is a

cynical and tired government that has consistently ignored the difficulties faced by veterans. It should feel shamed, particularly on this specific issue.

A fortnight has passed since this country paused on Anzac Day to honour the commitment and sacrifice made by our returned servicemen and servicewomen. Services were held right across the country to acknowledge veterans in our community. Particularly in Richmond, it is wonderful to see more people coming out each year to these services, whether it be the dawn services or the marches during the day. It was an absolute honour that Peter Cosgrove was able to attend the march and the service that we had at Kingscliff. It was wonderful to see so many younger children involved and taking the time to remember and respect the service of so many.

As I stated earlier, my electorate of Richmond does have one of the largest numbers of veterans in the country. One of my greatest honours as an MP is being able to constantly meet with them and the local RSLs and different veterans groups throughout the community, work with them and hear their concerns firsthand. I am sure we all agree it is moving to hear those stories when they speak of their experiences, their service and their often great hardship and sacrifice. But it also inspires me to fight for recognition for them and their service. It was wonderful to see so many people recognising that service on Anzac Day.

Previous speakers have said that, with different community functions of late, we have been able to recognise them through the presentation of the ADMs. Last year in Richmond many community groups worked together with veterans groups to have the first Richmond Remembers event—which is a week-long series of events involving schoolchildren and the community—in which we took time to remember the service of veterans from all conflicts. It is an event that I hope will continue for many years, as everyone in our community remembers the service of so many.

In conclusion, I reiterate that Labor supports the changes I outlined earlier. We are pleased that the government has put them forward and is dealing with the anomalies that have occurred through the amendments to the original legislation. With regard to issues facing veterans and their families, however, I emphasise that there is much more to be done in this area. It is quite disheartening that the Howard government has often neglected to deal with the unique difficulties that veterans and their families face. As I have said, federal Labor has already put forward a plan to rectify the area of indexation of the pensions provided to our most severely disabled war veterans. Again, I strongly urge the Howard government to see the injustice of the system currently in place and to do the right thing and introduce legislation which would deal with it. It would certainly receive great support right across the chamber. This is an area that has to be addressed.

I am very privileged to represent the many hundreds of veterans living in the Richmond electorate. I believe our nation is indebted to those courageous Australians who put their lives on the line in the service of our country and I remain absolute in my commitment to honouring them and their place in our history.

Ms ANNETTE ELLIS (Canberra) (12.20 pm)—I am very pleased to have the opportunity this afternoon to speak on the Veterans' Affairs Legislation Amendment (2007 Measures No. 1) Bill 2007. Of course, the main purpose of the minor housekeeping amendments in this bill is to correct some unintended consequences of the current drafting and better align the income support and pension arrangements under the Veterans' Entitlements Act with those of the So-

cial Security Act 1991. The amendments in this bill are supported on the basis that they seek to remedy some unintended consequences of the current drafting of the Veterans' Entitlements Act 1986, the Military Rehabilitation and Compensation Act 2004 and the Income Tax Assessment Act 1997. The bill presents in great detail amendments to a range of sections of the acts—outlined very well, I might add, by the Parliamentary Library briefing on this bill—on which I do not intend to speak in detail other than to say that it is good to see we can have a correction and have the appropriate parts of this legislation amended, as is obviously required.

This also gives me an opportunity, quite appropriately, to bring to the attention of the chamber a concern I have in relation to services affecting veterans in my electorate. In doing so, I refer particularly to the Veterans Home Care program, the VHC program. I would like to speak briefly about some of the issues that have arisen in my area as a result of some changes that are taking place. I want to note quite openly that I have approached the minister on this matter and have received a very long and detailed response, some four pages, to my correspondence, for which I am grateful. There seems to me to be a need to talk a little about some of the issues at a human level.

My understanding is that the Veterans Home Care program had been operating around the countryside for some time and that the ACT Department of Health unit had successfully tendered for the operation of this program here in the ACT and was quite happily the facilitator of the program. Last year, with the contract period coming to an end in December and the department calling for new tenders, the process changed somewhat and the ACT Department of Health unit made the decision not to tender again, as to do so would have meant that they would be tendering in a competitive process to supply this service to the ACT, South Australia, New South Wales and Queensland. This was a little outside what they saw as their jurisdiction in the way they had operated in the past, so they made a conscious decision not to tender. I understand that at the end of the process an organisation called Aged Care & Housing Group Limited, ACH Group, from South Australia were given the new contract and that from December, when that contract came into place, they were the organisation running this process and a number of organisations in different parts of the four jurisdictions I have mentioned carry out the work on behalf of that organisation.

It is fair to say that, from about January onwards, my electorate office began to get phone calls from people in the community who were expressing concern about some of the changes that this process had led to. An officer from ACH Group with whom we had a conversation indicated that, from their perspective, they were implementing the program as per guidelines only. They admitted that they had run into a number of unhappy veterans during phone assessments. It seems to me that maybe phone assessments are part of the problem. These people are being assessed, as I understand it—and I stand to be corrected if I am wrong—with a telephone interview. We are talking about fairly elderly people. Also, in discussion with us, one of the many providers in this region carrying out this work on behalf of ACH Group said that on-the-ground providers of some care support they were giving were indicating to some of them that they may have a few concerns about some of the changes and the impacts of the changes, but they obviously take direction from ACH Group.

We had a discussion with Legacy. I am sure they will not mind me mentioning this. Legacy is a wonderful community organisation. Like all members in this place, our electorate officers speak to hundreds of organisations doing good work out there. It appears that some of their

people may have been approached by some of the recipients of this program in the normal way that they would for support. In the way that they understood it, in relation to the changes, it appears that they were seeing some unnecessary stress, as they would describe it, being put upon some of our veteran widows in particular.

On this side of the chamber, we are not against changes. If there is a good reason to change something then obviously you do. But when you are dealing with vulnerable, frail, elderly people—those living on their own in particular—you have to make absolutely certain that the way you are carrying out those changes has the least possible negative impact that you could wish for.

I will just outline very briefly some of the things that have changed. I will not mention names, even though the minister is aware of whom I am speaking about, because we were very honest with him. An elderly couple in their 80s were getting an hour and a half for shopping and an hour and a half for cleaning once a fortnight, alternating. That has changed and now only one person, instead of two people, has to do both of those jobs. The elderly couple has to pay slightly more. It is still a small cost, but they have to pay slightly more. The belief is that the worst thing that has changed is that the clients cannot go out shopping with the carers anymore. In the past they were taken out shopping; now they are left at home. I understand that it is for insurance reasons. I am happy for all of this to be clarified. From the point of view of my constituents, it was the only opportunity for the gentleman to leave the house for a purposeful reason, maybe other than going to a doctor, and he enjoyed those shopping expeditions. That was to change or it had changed.

Everybody I am talking about is in their late 70s, 80s or 90s. Another lady previously had someone coming every day to shower and dress her, along with three hours a week for shopping and socialising and two hours a fortnight for cleaning. Now she is getting showered only three times a week. She cannot dress herself properly because of her physical problems. She now has only two hours for shopping and is not allowed to go out shopping with a staff member. She understands that, if she wants to go to the bank and nobody can take her, a PIN needs to be made available. I am not sure whether that is completely accurate, but it is a query. She is pretty concerned about the changes that are affecting her.

A gentleman was previously receiving a shower every day and that has been cut back to three showers a week. He has to deal with some physical problems. I think that has been resumed to virtually a daily shower. He cannot get transport assistance from DVA for medical appointments or social outings. He can no longer go shopping with the carer as he could in the past. That was mentioned constantly. He is feeling the lack of availability of transport.

In my office we are trying to see whether we can link up someone like him with a program run by a community service. These folk have stability in their life because they have a program. If anything changes, it is a huge issue for these folk. It is for those reasons that I want to talk about it. When change is needed, yes, let us do it, but can we please be aware of what we are doing and somehow walk these folk through what needs to be done.

There is another person, a woman who is 80-plus years of age, who is really angry about the phone assessment process. She is uncomfortable with it and feels that she is not being seen, in the true sense of an assessment. Her hours have also been dramatically cut. Legacy has been involved. As a result of Legacy's involvement, I understand that any changes for her

have been deferred—maybe to around June—to see whether she can be assisted in sliding across to other services, if that be the case.

There is another woman, who is 85-plus, whose son contacted us. He does what he can to assist his mother, but, again, certain services were cut back from two hours a week to two hours a fortnight and then to nothing. I understand that the department offered an annual spring-clean but then said, 'We can't do that unless all the internal windows have been pre-stripped by you first, and we will not do the second storey.' These are the sorts of stories that we have been given, and we have fed these stories quite honestly to the minister. I will refer to his reply in a moment. There is also another darling who is 92. She had three hours a week for washing and basic cleaning cut back to 1½ hours. She is not at all very mobile, and, again, Legacy is involved with her. As I said, I am attempting to be very honest and generous about this because there may be good reasons for certain changes taking place.

In the minister's letter, he said to me that the VHC program assists Australia's veterans, war widows and widowers with low-care needs to remain at home for longer—and we applaud that—and that it provides domestic assistance; respite care, in-home and residential; personal care; and safety related home and garden maintenance. The in-home respite is only available to people with a carer—I understand that—but the domestic assistance and the personal care is the stuff of import to these people. I do not wish to go through all the detail in the minister's letter. Suffice to say that the department has indicated that maybe some of these people were incorrectly assessed or incorrectly serviced in the previous tendering contracts. I do not know whether that is true, because I think it is all being looked at.

The minister also said that where they believe there has been or where there is now an inappropriate supply of service, some folk may need to be referred to other programs—HACC programs or other community programs. That is not really an issue for me, I guess. At the end of the day, I want these people to get the services they need in the most untraumatic, friendly and sensitive way possible. If a reassessment or reassignment is needed for the people in this age group, I think it would be better if it was not done by phone. It is a good thing to walk into their home and actually see their surroundings, understand their needs and their physicality, or otherwise, and make an assessment on that basis.

Be that as it may, should there be the decision at the end of the day that people like this have to be reassessed and reassigned to another service, can it please be done with sensitivity so that it does not result in the trauma that I believe may be occurring with some of these people. It is fair to say that some of that trauma could be attributed to their age, their frailty and their situation in life. For whatever reason, I think this needs a little bit of care. I am not blaming the minister but, somehow down the line, we need to find a way to handle this. I am not happy when I get a phone call from a 92-year-old woman who is maintaining herself remarkably well in her own home, considering her age—and I think she is the one I am referring to; one of them has a very severe sight impairment—and find out that the service that she has been getting, which was only three hours a week, has been cut back to 1½ hours. One wonders whether a cutback of that nature is really required. Three hours a week is not a lot of time, does not cost a lot of money and does not involve a lot of care, but she was happy with it.

I am grateful to have had the opportunity during this debate to bring the Main Committee's attention to the changes in the VHC program and to appeal to the minister and to his folk that they do all they can—

Mrs Bronwyn Bishop—Mr Deputy Speaker, I seek to intervene.

The DEPUTY SPEAKER (Hon. IR Causley)—Is the member for Canberra willing to give way?

Ms ANNETTE ELLIS—Yes, certainly.

Mrs Bronwyn Bishop—I wonder whether, for the purpose of what you have been discussing, the vet's care system is using an aged care assessment team to assess the clients?

Ms ANNETTE ELLIS—I am happy to try to answer that. Somewhere in the minister's letter I think he says that part of the process for these people—and I stand to be corrected if I have this wrong—would be that they would need to go through an ACAT assessment to get another form of service—for instance, a CAHP, a care at home package. So if this process has decided that they are no longer eligible, for whatever reason, the minister is suggesting in part of this response that they need to go through an ACAT assessment for that purpose—that is, not to stay where they are but to go into an entirely different package, which would be a care at home package through the aged-care system.

I will draw my remarks to a conclusion there. I thank the member for her intervention. As I said, I am not really complaining so much as bringing to the attention of people the fact that we need to be so sensitive and so careful when we are dealing with people in this category. I know for all intents and purposes we all share that view, but occasionally we need to have a reminder that, whatever we need to do to look after these folk, we should do. In the end, I hope that these people have the service that they were getting reinstated or that they can slide across as seamlessly as possible—and with all the help they need—into what is considered to be a more appropriate service, be that as it may. I thank the chamber for its attention.

Mr JENKINS (Scullin) (12.36 pm)—In support of the Veterans' Affairs Legislation Amendment (2007 Measures No. 1) Bill 2007, which is a bill to amend the law relating to veterans entitlements and military rehabilitation and compensation and for other purposes, I wish to make a few remarks about the nation's obligation to those that serve in the defence forces.

Some 21 years ago I concluded a 13-year period of my life when I worked for the then department of repatriation. I was of a fortunate generation of officers of that department in that, for that 13 years, we did not have forces on active duty. We had defence personnel involved in peacekeeping missions in a number of places around the world, but of course now in the first decade of the 21st century we operate in a completely different environment. We have several contingents of defence personnel very much on the front line. So the type of danger that defence personnel are in is greatly different. We also have a greater awareness of our obligation to those employed in our defence forces but not on active service, because there have been a number of accidents of an occupational health and safety nature in peacetime movements and the like that we have learnt a lot from.

I am also from a generation that is proud to indicate that it marched in moratorium marches. I am of a generation whose marble was in the last ballot of conscription to take place—a ballot that did not have any use because that intake was never taken up. But I am

also of a generation that did not see active participation in protests against the government's decision to send forces overseas and for the way in which those returning ex-servicemen and ex-servicewomen were treated. I admit that at the time I did not understand the conditions that confronted those returning ex-defence personnel. I think that as a nation we should be genuinely ashamed of the way in which those people were treated when they returned.

I am pleased that in the intervening nearly 40 years, especially for the Vietnam conflict, many processes have taken place that have healed that open sore. It is, of course, interesting that sometimes Korean vets do not think that they have yet seen similar actions and can sometimes be of the opinion that they are beginning to be a forgotten generation of our returned service men and women. But the lessons that we learnt through those actions should dictate the way in which we are able to treat and administer those pieces of legislation that deal with proper compensation and proper recognition of the sacrifices made.

To the extent that this piece of legislation tidies up a number of items and brings into line some of the Veterans' Entitlements Act measures with the Social Security Act and the like, the opposition has no great problem with it. But one aspect that goes to the way in which the ex-service community see themselves being treated relates to the length of time that is taken for the assessment of claims. This was first brought to my attention by a welfare officer at one of the local RSLs that service the community that is covered by the electorate of Scullin. I suppose from my past career within the department I have an understanding of the proper way in which these things have to be assessed. The act has changed drastically since my time. The references to the way in which these things are assessed have changed dramatically. But I would have hoped that that made it a simpler task to ensure that claims are processed within the proper periods. This is a matter that the member for Bruce, the shadow minister for veterans' affairs, touched upon.

When we look at the last annual report of the Department of Veterans' Affairs—the 2005-06 annual report—we find that, under the Military Rehabilitation and Compensation Act, the average time taken for processing primary injury claims has blown out from 90 to 146 days, up 62 per cent from the time taken in 2004-05. According to the figures given, we find that the time for processing new impairment claims has increased from 26 to 130 days. Perhaps that is a statistical anomaly because it is a small number of claims, and we might not dwell too much on that. However, the average time taken to process primary compensation claims under the Veterans' Entitlements Act was 106 days, a 40 per cent increase over a target that had been set of 75 days.

These are the things that are causing concern in the community. As I said, there are from time to time reasons that these things take a while. It is not being churlish to observe that we see there has been a reduction of one-eighth in the number of claims processing staff. It appears there was no mention in the budget of any increase in the number of staff. I raise these matters not for the sake of political point-scoring but to indicate that, when things like this lead to a perception that veterans are not being treated with the importance they deserve, it rolls on to concerns about a whole host of matters. We should have learnt the lesson that, no matter how hard we try to have proper recognition of the service given, no matter how often we say that we treat that service as being important, we have to make sure that our actions indicate that.

At one of the ceremonies for the Australian Defence Medal recently, I had a chat to a man who had served in the Royal Navy. He had had the misfortune of being in the vicinity of both collisions of the HMAS *Melbourne*. What was interesting about the discussion was that, while this was a peacetime activity, it still gave him great distress in a psychological sense because there was no discussion, debriefing and counselling after the incidents. He has vivid memories of retrieving bodies and the like. These are, as I said, important matters that we have to make sure that we understand so that we can do the right thing.

He had another interesting beef that I think is ongoing at the moment. He was one of the guys who were asked to go in and clean—I describe them as bilge tanks; there is probably some other technical term—within the outer skin of the ship and the inner skin. To describe his working conditions as Dickensian is probably raising them up because at least the chimney sweeps were of a small stature. I do not think this man was of a small stature, but they hauled themselves down, attached to the manhole by a rope. They had to be careful of the conditions because of the build-up of gases and different substances. As I understand it, there is an ongoing discussion about whether the conditions exposed them to a variety of chemicals that have been injurious to health and it is something that I have asked him to give me further detail on. I hope to be able to return to that at some other time.

The other thing that I have to observe is that for once, by comparison to the United States, I think we can hold our head high. I refer to the recent discussion of the treatment of US returned service people in their veterans administration hospitals, which is nothing short of scandalous. I do not refer to this because the member for Mackellar is in the chamber but I think the checks and balances that the Australian parliament has in dwelling on the actions of departments would have picked up the types of things that we saw in the United States much earlier than was the case in the United States. However, it appears there might have been a small deception of US Senate committees about the way in which the veterans affairs hospital in Washington was being administered.

I think it is very important, without pointing a finger and accusing people of not doing the right thing, that we do have these processes so that we can indicate our concern. I hope that the minister and, through the minister, the department would see my comments about the blow-out in processing times in that light. As I said, at the end of the day you can have a collection of cases that might be more difficult than another collection of cases. When we are dealing with a community that is very sensitive to the way that it is treated—it is in the context of political decisions of the government, for instance, not to put in place indexation of benefits and the like, which is in a different sphere of political discussion—we must make sure that the perception is not that because of laxity in the blow-out of times we in some way do not recognise the service.

With the way that modern warfare is conducted, a whole new range of pressures is being placed on members who are in active service and we must ensure that we keep cognisant of those new pressures. There may be people who, because of great fortune, do not see themselves as being directly under fire, but that pressure of not knowing what is around the corner is as real as the pressure experienced when under direct fire. That sort of pressure is seen to exist in all conflicts and it becomes even greater in the types of conflicts that Australian troops are involved in at the moment, where there is uncertainty about who the enemy really is and

whether they are dealing with friend or foe. So I think people's psychological wellness should be paramount.

I was in the department when the Vietnam Veterans' Counselling Service first commenced. I think that was one of the first steps in bridging the gap between the perception that Vietnam vets were not accepted by the community and the fact that people wanted to reach out to them and understand the types of pressures they had confronted and the type of assistance they needed. I hope that we continue to do that for all generations and for waves of service personnel that return from involvement in conflict.

Finally, I wish to say—and this probably is completely off the piece of legislation before us—that I still have a little concern about the purchasing practices of Defence and making sure that Defence personnel, especially on active service, are adequately kitted up and given the right equipment. But that again is a debate for another day. I simply conclude that I am very proud of the tradition, which has continued in a bipartisan manner, of the repatriation system, now called the veterans affairs system. I hope that the minister takes on board our concerns about processing times. I hope that, in a political sense, the government, when sharing the bounty it holds in its coffers, will recognise that the veterans community see themselves as deserving of additional resource.

Mr HAYES (Werriwa) (12.52 pm)—I am happy to rise on the Veterans' Affairs Legislation Amendment (2007 Measures No. 1) Bill 2007. Firstly, I indicate that I support the bill. However, in doing so, I reserve the right to make some criticisms of the way it appears that administration of certain claims relating to a departmental undertaking relating to veterans has occurred, particularly when looking at the clients of that department. The clients of that department are people who have served this country well. They have taken upon themselves the security of this nation, in a range of different capacities, in various theatres overseas. I think veterans expect probably no more or no less than to be treated decently.

It is of concern when we find that, under the Veterans' Entitlements Act, the processing of veterans claims is taking in the order of 106 days, with the target position being 65 days. That is a difference of about 40 per cent between the targeted time for processing and the actual time taken. For most businesses, that would be of concern. However, in a business that is there to service the veterans of this nation, I think it is not simply a concern; it is unjust. Without putting too fine a point on it or weighing that criticism, I think that is one of those things we need to do better for the people who have performed such a wonderful task for this country.

By the way, it is not just veterans who have served in the armed forces overseas. Do not forget that, since 1964, something like 2,000 police officers have served in peacekeeping operations overseas, starting with operations in Cyprus and more recently those in East Timor and other locations. Having been seconded from the police forces of the various states, territories and, indeed, the Commonwealth and serving in those theatres, those officers were also covered by the Veterans' Entitlements Act for their period of operations while overseas. So it is not just military people who are only too deserving of being treated appropriately under the Veterans' Entitlements Act but also those police officers who have served this country well, as they have taken a lead role in many respects in peacekeeping operations.

From my discussions with Vietnam vets from my electorate, the Ingleburn RSL sub-branch and Mr Max Chin from Dredges Cottage in Campbelltown, you would not class veterans as

whingers. They are people who are there to support their colleagues—they are very collegiate in the way they approach that. They are very forthright and no doubt the department will recall how forthright these guys can be but, quite frankly, they stick up for one another as they probably did in times of hostilities. They are not whingers. They simply want a fair go and they want to be treated with respect and dignity. One of the things they have laboured is the delays in processing claims by the department and that concerns not only them in terms of the operations they provide locally but the support mechanism they afford to their members in those respective locations.

I take it that most people are across the fact that last night the government announced that there will be an increase in the TPI rate, the special rate and the intermediate rate for veteran disability of \$50 and \$25 per fortnight respectively. I have to say that is welcome. I also draw the attention of the chamber to the fact that the pension entitlement for these people has not been indexed; it has been eroded and, as a consequence, has very much affected the purchasing power—to use a crude term—of these veterans. It is something that they have been quite critical of. Bear in mind that I am speaking of people who have served this country in the Second World War, the Korean War, the Malayan and the Vietnam engagements, the Gulf War, East Timor, Iraq and Afghanistan. We need to be sensitive to this.

When veterans go on a veterans entitlement pension, they should not be seen as out of sight, out of mind. They are people who deserve the highest respect that we can give them as a consequence of the service they have provided, and it is only proper that we reward them appropriately. That is why Labor have announced only very recently that, from our first budget, we will be indexing the pension entitlement for these people, which will make sure that their pensions are not eroded and that they are treated with dignity and respect. I think that is something that should stay very much at the front and centre of the mind of the legislature when we are talking about making laws affecting people who have already committed themselves rather heavily for this country.

It pains me to report that in 1997, for instance, the special rate for a disability pension represented 46.3 per cent of the total average male weekly earnings. Now a person on that same pension is earning only 42.9 per cent of the total average male weekly earnings. It has regrettably been allowed to simply fade away—out of sight, out of mind. Whilst I welcome what occurred in the budget last night to make some redress to that, this must be taken into the future and must be subject to indexation. I support the initiatives taken by Kevin Rudd and Alan Griffin, the shadow minister for veterans' affairs, in committing Labor to a position of restoring that fundamental aspect of dignity and respect for the veterans of this nation.

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

Main Committee adjourned at 1 pm

QUESTIONS IN WRITING

Families, Community Services and Indigenous Affairs: Departmental Property

(Question No. 5146)

Mr Kelvin Thomson asked the Minister for Families, Community Services and Indigenous Affairs, in writing, on 7 December 2006:

- (1) For each financial year from 1 July 2004, what was the total cost to the Minister's department of departmental property reported missing.
- (2) For the financial year 2005-06, what items of property were reported missing and what was the cost of each.

Mr Brough—The answer to the honourable member's question is as follows:

For each financial year since 1 July 2004, the costs to my department (organisational entity as per Administrative Arrangements Orders for the relevant period) of property reported as missing were \$7,150, \$62,035 and \$8,534 (as at the end of February 2007). The significant increase in 2005-06 was due to the theft of expensive video-conference equipment.

The table below indicates the items of property reported missing and the cost of each for the financial year 2005-06:

Property description	Number	Individual cost \$
Mobile phone	9	169.00
Mobile phone	1	230.00
Knife block set	1	500.00
Plasma television screens	4	5,563.00
Video-conference unit	1	20,366.00
Lite-Pro	2	2,720.00
Master Key	1	1,000.00 (cost to replace locks on all security doors)
Satellite phone	1	2,268.00
Multimedia Projector	1	5,721.00
Digital camera	1	737.00
Laptop	1	500.00
Laptop	1	1,500.00

Transport and Regional Services: Fuel Costs

(Question No. 5151)

Mr Kelvin Thomson asked the Minister for Transport and Regional Services, in writing, on 7 December 2006:

- (1) For each financial year from 1 July 2004, what sum has the Minister's department spent on fuel.
- (2) How many cars does the department currently own or lease and how many of those cars run on LPG.
- (3) Does the department plan to purchase any cars that run on LPG or to convert cars running on petrol to LPG.

Mr Vaile—The answer to the honourable member's question is as follows:

QUESTIONS IN WRITING

(1)

Financial Year	Total Cost of Fuel
2004 - 2005	\$41,670.99
2005 - 2006	\$68,064.45
1 July 2006 - 31 Jan 2007	\$43,144.87

The above figures do not include fuel used in the vehicles leased by Senior Executive Service Staff as those costs are met from the officer's own remuneration.

- (2) As at 31 January 2007, the Department leased 38 cars. No cars ran on LPG.
- (3) The Department does not purchase cars for use in its fleet.

Treasury: Fuel Costs

(Question No. 5152)

Mr Kelvin Thomson asked the Treasurer, in writing, on 7 December 2006:

- (1) For each financial year from 1 July 2004, what sum has the Minister's department spent on fuel.
- (2) How many cars does the department currently own or lease and how many of those cars run on LPG.
- (3) Does the department plan to purchase any cars that run on LPG or to convert cars running on petrol to LPG.

Mr Costello—The answer to the honourable member's question is as follows:

- (1) The Minister's department has spent the following on fuel since 2004:
- 2004: \$27,423.59;
- 2005: \$9,210.78;
- 2006: \$4,108.08.

These figures are GST inclusive. LeasePlan's IT reporting configurations require the data to be presented in calendar years (not in financial years as requested in the question).

- (2) Four. None are LPG vehicles.
- (3) The department will consider the use of LPG powered vehicles as leases become due for renewal.

Foreign Affairs and Trade: Fuel Costs

(Question Nos 5153 and 5155)

Mr Kelvin Thomson asked the Minister for Foreign Affairs and the Minister for Trade, in writing, on 7 December 2006:

- (1) For each financial year from 1 July 2004, what sum has the Minister's department spent on fuel.
- (2) How many cars does the department currently own or lease and how many of those cars run on LPG.
- (3) Does the department plan to purchase any cars that run on LPG or to convert cars running on petrol to LPG.

Mr Downer—On behalf of the Minister for Trade and myself, the answer to the honourable member's question is as follows:

- (1) The Department of Finance and Administration's Fleet Monitoring Body (FMB) supplies fuel figures in calendar years rather than financial years. The fuel costs for DFAT's fleet in Canberra were as follows:

2004	\$199,144.08
2005	\$215,462.10
2006	\$226,479.60

To provide the detailed information sought from each post and state and territory office would entail a significant diversion of resources and, in these circumstances, I do not consider the additional work can be justified.

- (2) The Department currently leases 90 vehicles. None of these vehicles run on LPG
- (3) No, the Department has no such plans.

Finance and Administration: Fuel Costs

(Question No. 5154)

Mr Kelvin Thomson asked the Minister representing the Minister for Finance and Administration, in writing, on 7 December 2006:

- (1) For each financial year from 1 July 2004, what sum has the Minister's department spent on fuel.
- (2) How many cars does the department currently own or lease and how many of those cars run on LPG
- (3) Does the department plan to purchase any cars that run on LPG or to convert cars running on petrol to LPG.

Mr Costello—The Minister for Finance and Administration has provided the following answer to the honourable member's question:

- (1) The Department of Finance and Administration (Finance) spent the following amount on fuel:
 - (a) 2004 – \$110,451.57;
 - (b) 2005 – \$125,120.57 and
 - (c) 2006 – \$121,453.03.

Due to the reporting configuration of the Australian Government Fleet Manager's IT system, fuel purchase data is only able to be reported by calendar years.
- (2) The Department of Finance and Administration (Finance) leases 52 vehicles. Of these vehicles:
 - (a) 11 are petrol-powered pool vehicles that support the delivery of departmental programs.
 - (b) 41 vehicles are provided to departmental executives as an entitlement under the Executive Vehicles Scheme (EVS). Under the EVS, recipients have discretion in vehicle selection within guidelines issued by the Department of Employment and Workplace Relations.
- (3) Finance would consider an LPG-fuelled vehicle where its selection represents an operationally suitable and value for money outcome.

Communications, Information Technology and the Arts: Fuel Costs

(Question No. 5158)

Mr Kelvin Thomson asked the Minister representing the Minister for Communications, Information Technology and the Arts, in writing, on 7 December 2006:

- (1) For each financial year since 1 July 2004, what sum has the Minister's department spent on fuel.
- (2) How many cars does the department currently own or lease and how many of those cars run on LPG
- (3) Does the department plan to purchase any cars that run on LPG or to convert cars running on petrol to LPG.

Mr McGauran—The Minister for Communications, Information Technology and the Arts has provided the following answer to the honourable member's question:

(1)

Financial Years	Fuel Costs
July 04 - June 05	\$86,795
July 05 - June 06	\$108,877
July 06 - Current	\$62,252

- (2) The Department of Communications, Information Technology and the Arts does not own any motor vehicles. The Department does lease forty one (41) motor vehicles of which one (1) runs on LPG
- (3) The Department does not plan to purchase any cars that run on LPG nor convert any from petrol to LPG

Families, Community Services and Indigenous Affairs: Fuel Costs

(Question No. 5165)

Mr Kelvin Thomson asked the Minister for Families, Community Services and Indigenous Affairs, in writing, on 7 December 2006:

- (1) For each financial year from 1 July 2004, what sum has the Minister's department spent on fuel.
- (2) How many cars does the department currently own or lease and how many of those cars run on LPG
- (3) Does the department plan to purchase any cars that run on LPG or to convert cars running on petrol to LPG

Mr Brough—The answer to the honourable member's question is as follows:

Fuel usage data provided by Fleet Monitoring Body within the Department of Finance is provided by calendar year. In this context, the amount spent on fuel in the 2004 calendar year was \$166,757.42, \$157,925.61 in 2005, and \$219,603.39 in 2006. The increase in 2006 resulted from the transfer of the Office of Indigenous Policy Coordination into my department during 2005-06.

My department currently leases 210 vehicles. No vehicles utilises LPG

'My departments' vehicle policy aims to have a fleet that minimises environmental impacts. My department is committed to the commonwealth vehicle targets outlined in the Green Vehicle Guide rating scheme.

Prime Minister and Cabinet: Stationery

(Question No. 5169)

Mr Kelvin Thomson asked the Prime Minister, in writing, on 7 December 2006:

- (1) For each financial year from 1 July 2004, what was the total cost of paper purchased by the Minister's department.
- (2) Does the department have policies relating to duplex printing; if so, what are those details.

Mr Howard—I am advised that the answer to the honourable member's question is as follows:

- (1) The department has decentralised the purchasing of all stationery items including paper to line areas. Paper purchases are not separately identified from other stationery in the department's financial information system. To collect this information would require a significant diversion of resources to review all stationery invoices, which I am not prepared to authorise.

- (2) While the department does not have a formal policy on duplex printing, printers have been set to default to duplex printing since mid 2005.

Treasury: Stationery
(Question No. 5171)

Mr Kelvin Thomson asked the Treasurer, in writing, on 7 December 2006:

- (1) For each financial year from 1 July 2004, what was the total cost of paper purchased by the Minister's department.
- (2) Does the department have policies relating to duplex printing; if so, what are those details.

Mr Costello—The answer to the honourable member's question is as follows:

- (1) The total cost to the Department was:
2004/05: \$40,196.26 (GST exclusive); and
2005/06: \$41,653.65 (GST exclusive).
- (2) No.

Foreign Affairs and Trade: Stationery
(Question Nos 5172 and 5174)

Mr Kelvin Thomson asked the Minister for Foreign Affairs and the Minister for Trade, in writing, on 7 December 2006:

- (1) For each financial year from 1 July 2004, what was the total cost of paper purchased by the Minister's department.
- (2) Does the department have policies relating to duplex printing; if so, what are those details.

Mr Downer—On behalf of the Minister for Trade and myself, the answer to the honourable member's question is as follows:

- (1) The following figures relate to the purchase of paper for DFAT in Canberra, as well as the two Ministerial offices:
1 July 2004 – 30 June 2005: \$157,000
1 July 2005 – 30 June 2006: \$147,000
To provide the sum spent on paper purchased at overseas posts and state and territory offices would entail a significant diversion of resources and, in these circumstances, I do not consider the additional work can be justified.
- (2) The department has current policies relating to duplex printing. The department has achieved certification by an external accredited auditor to the Australian (and International) Standard for Environmental Management Systems ISO 14001. Accordingly, printers provided throughout the R.G Casey building, portfolio Ministers' offices as well as regional and overseas offices are sourced and configured for duplex printing where possible.

Communications, Information Technology and the Arts: Stationery
(Question No. 5177)

Mr Kelvin Thomson asked the Minister representing the Minister for Communications, Information Technology and the Arts, in writing, on 7 December 2006:

- (1) For each financial year from 1 July 2004, what was the total cost of paper purchased by the Minister's department.
- (2) Does the department have policies relating to duplex printing; if so, what are those details.

Mr McGauran—The Minister for Communications, Information Technology and the Arts has provided the following answer to the honourable member's question:

- (1) The total cost of paper purchased centrally for use in photocopiers and printers was:

2004/05 financial year	\$78,491.40
2005/06 financial year	\$66,172.60
2006/07 financial year as at 15 March 2007.	\$60,217.70
All costs are GST Exclusive.	

- (2) The department does not have any formal policies relating to duplex printing.

Industry, Tourism and Resources: Stationery

(Question No. 5180)

Mr Kelvin Thomson asked the Minister for Industry, Tourism and Resources, in writing, on 6 December 2006:

- (1) For each financial year from 1 July 2004, what was the total cost of paper purchased by the Minister's department.
- (2) Does the department have policies relating to duplex printing; if so, what are those details.

Mr Ian Macfarlane—The answer to the honourable member's question is as follows:

- (1) Total cost of paper purchased for financial years since 1 July 2004:

1 July 2004 to 30 June 2005, \$183,008

1 July 2005 to 30 June 2006, \$171,471

1 July 2006 to 28 February 2007, \$102,024

- (2) The Department including State Offices has a printer policy for which specifies multi function devices as the standard printer platform. All multi function devices are configured to default to duplex printing.

Families, Community Services and Indigenous Affairs: Stationery

(Question No. 5184)

Mr Kelvin Thomson asked the Minister for Families, Community Services and Indigenous Affairs, in writing, on 7 December 2006:

- (1) For each financial year from 1 July 2004, what was the total cost of paper purchased by the Minister's Department.
- (2) Does the department have policies relating to duplex printing; if so, what are those details.

Mr Brough—The answer to the honourable member's question is as follows:

Expenditure for paper purchased by my department was \$148,390.22, for the period 2004-2005 and \$189,842.85 for the period 2005-2006. The increase is a result of the transfer of the Office of Indigenous Policy Coordination into my department during 2006-06.

All departmental printers and photocopiers are set to duplex print as standard upon installation.

Education, Science and Training: Stationery

(Question No. 5185)

Mr Kelvin Thomson asked the Minister for Education, Science and Training, in writing, on 9 December 2006:

- (1) For each financial year from 1 July 2004, what was the total cost of paper purchased by the Minister's department.

- (2) Does the department have policies relating to duplex printing: if so, what are those details.

Ms Julie Bishop—The answer to the honourable member's question is as follows:

- (1) The total cost of paper purchased by the Department of Education, Science and Training (DEST) for:

Financial Year 04/05 was \$190,208

Financial Year 05/06 was \$189,749

The department has interpreted this question to cover photocopying and printer paper.

- (2) DEST encourages staff to use duplex printing through the DEST Environmental Management policy. This policy is available on the DEST intranet site and the relevant excerpt follows:

“If you can't avoid printing:

Wherever possible print documents double-sided (under the 'File' menu, open 'Print' and hit the 'Properties' button; from the options presented, click 'Duplex' and 'Okay' – all the MFDs cope perfectly well with duplex printing, though the colour printers generally don't have this option – another good reason to minimise use of colour printing).”

Prime Minister and Cabinet: Computer Technology

(Question No. 5189)

Mr Kelvin Thomson asked the Prime Minister, in writing, on 7 December 2006:

Is the Minister's department considering the use of auto-population computer technology that would enable the exchange of personal details and particulars of individuals between departments; if so, (a) with which departments and (b) what personal details are proposed to be shared.

Mr Howard—I am advised that the answer to the honourable member's question is as follows:

No.

(a) Not applicable, (b) Not applicable.

Treasury: Computer Technology

(Question No. 5191)

Mr Kelvin Thomson asked the Treasurer, in writing, on 7 December 2006:

Is the Minister's department considering the use of auto-population computer technology that would enable the exchange of personal details and particulars of individuals between departments; if so, (a) with which departments and (b) what personal details are proposed to be shared.

Mr Costello—The answer to the honourable member's question is as follows:

The Treasury is not currently considering the use of auto-population technology that would enable the exchange of personal details and particulars of individuals between departments.

Foreign Affairs and Trade: Computer Technology

(Question Nos 5192 and 5194)

Mr Kelvin Thomson asked the Minister for Foreign Affairs and the Minister for Trade, in writing, on 7 December 2006:

Is the Minister's department considering the use of auto-population computer technology that would enable the exchange of personal details and particulars of individuals between departments; if so, (a) with which departments and (b) what personal details are proposed to be shared.

Mr Downer—On behalf of the Minister for Trade and myself, the answer to the honourable member's question is as follows:

No.

Finance and Administration: Computer Technology

(Question No. 5193)

Mr Kelvin Thomson asked the Minister representing the Minister for Finance and Administration, in writing, on 7 December 2006:

Is the Minister's department considering the use of auto-population computer technology that would enable the exchange of personal details and particulars of individuals between departments; if so, (a) with which departments and (b) what personal details are proposed to be shared.

Mr Costello—The Minister for Finance and Administration has provided the following answer to the honourable member's question:

No.

Communications, Information Technology and the Arts: Computer Technology

(Question No. 5197)

Mr Kelvin Thomson asked the Minister representing the Minister for Communications, Information Technology and the Arts, in writing, on 7 December 2006:

Is the Minister's department considering to use the use of auto-population computer technology that would enable the exchange of personal details and particulars of individuals between departments; if so, (a) with which departments and (b) what personal details are proposed to be shared.

Mr McGauran—The Minister for Communications, Information Technology and the Arts has provided the following answer to the honourable member's question:

The Department of Communications, Information Technology and the Arts is not currently considering the use of technology that would auto populate online forms with an individual's personal details for exchanging with other departments.

Environment and Water Resources: Computer Technology

(Question No. 5202)

Mr Kelvin Thomson asked the Minister for the Environment and Water Resources, in writing, on 7 December 2006:

Is the Minister's department considering the use of auto-population computer technology that would enable the exchange of personal details and particulars of individuals between departments; if so, (a) with which departments and (b) what personal details are proposed to be shared.

Mr Turnbull—The answer to the honourable member's question is as follows:

No.

Agriculture, Fisheries and Forestry: Computer Technology

(Question No. 5203)

Mr Kelvin Thomson asked the Minister for Agriculture, Fisheries and Forestry, in writing, on the 7 December 2006:

Is the Minister's department considering the use of auto-population computer technology that would enable the exchange of personal details and particulars of individuals between departments; if so, (a) with which departments and (b) what personal details are proposed to be shared.

Mr McGauran—The answer to the honourable member's question is as follows:

The Department does not have, nor is it considering the use of auto-population computer technology at this time.

Families, Community Services and Indigenous Affairs: Computer Technology

(Question No. 5204)

Mr Kelvin Thomson asked the Minister for Families, Community Services and Indigenous Affairs, in writing, on 7 December 2006:

Is the Minister's department considering the use of auto-population computer technology that would enable the exchange of personal details and particulars of individuals between departments; if so, (a) with which departments and (b) what personal details are proposed to be shared.

Mr Brough—The answer to the honourable member's question is as follows:

My department is looking to exchange data with Centrelink through the Child Care Management System. The actual data to be shared will be limited to those that are required to administer the Child Care Benefit program (e.g. name, address, DOB) and will be subjected to strict privacy protection.

Transport and Regional Services: Electricity and Water

(Question No. 5209)

Mr Kelvin Thomson asked the Minister for Transport and Regional Services, in writing, on 7 December 2006:

- (1) For each financial year since 1 July 2004, what sum has the Minister's department spent on (a) electricity and (b) water.
- (2) Since 1 July 2000, what measures has the department instigated to reduce electricity and water usage.

Mr Vaile—The answer to the honourable member's question is as follows:

- (1) (a) electricity

Financial Year	Sum Spent
2004/2005	\$353,469.03
2005/2006	\$449,728.02
2006 to 31 Jan 2007	\$209,298.95

- (b) water

Water consumption costs are unavailable as the costs are incorporated into outgoing charges provided by lessors.

- (2) The Department instigated the following measures to reduce electricity and water usage in various departmental premises:
 - Commissioned level 1 and level 2 energy audits;
 - Installation of a C-Bus system;
 - Lights connected to time clock system;
 - Energy efficient chillers for the air conditioning;
 - Revising the complete control system for air conditioning;
 - Gas fired central hot water system;
 - Installation of dual flush toilet units;

- Installation of water saving shower heads; and
- Trialling waterless urinal system.

Treasury: Electricity and Water
(Question No. 5210)

Mr Kelvin Thomson asked the Treasurer, in writing, on 7 December 2006:

- (1) For each financial year since 1 July 2004, what sum has the Minister's department spent on (a) electricity and (b) water.
- (2) Since 1 July 2000, what measures has the department instigated to reduce electricity and water usage.

Mr Costello—The answer to the honourable member's question is as follows:

- (1) (a) Total expenditure for electricity:
 - 2004/05 was \$176,279.49 (GST inclusive); and
 - 2005/06 was \$184,945.85 (GST inclusive).(b) Total expenditure for water:
 - 2004/05: nil, as the Treasury Building is a Commonwealth owned building; and
 - 2005/06: nil for the Treasury Building tenancy and \$22,247.00 for the Treasury tenancy in Motor Trades Association of Australia (MTAA) House, Barton.
- (2) The department has introduced the following initiatives to reduce electricity consumption:
 - Energy-saving flat panel LCD computer monitors;
 - High performance light fittings which are 35 per cent more efficient than standard fittings;
 - Lighting movement sensors are installed in all conference rooms; and
 - After hours lighting in open plan office space is controlled by manually operated switches which supply lighting for a two hour period once activated.

Treasury will undertake an energy audit of its tenancy in this financial year to identify any further energy saving initiatives. We are working with the Department of Finance and Administration, who act as the building owner, on water saving measures for the Treasury tenancy.

Foreign Affairs and Trade: Electricity and Water
(Question Nos 5211 and 5213)

Mr Kelvin Thomson asked the Minister for Foreign Affairs and the Minister for Trade, in writing, on 7 December 2006:

- (1) For each financial year since 1 July 2004, what sum has the Minister's department spent on (a) electricity and (b) water.
- (2) Since 1 July 2000, what measures has the department instigated to reduce electricity and water usage.

Mr Downer—On behalf of the Minister for Trade and myself, the answer to the honourable member's question is as follows:

- (1) For each financial year since 1 July 2004 the sums spent (excluding GST) on electricity and water in RG Casey building are:

(a) Electricity

2004/05	\$1,205,220.00
2005/06	\$1,291,437.27
Jul 2006 – Feb 2007	\$912,439.92

To provide the sum spent on electricity and water at overseas posts would entail a significant diversion of resources and, in these circumstances, I do not consider the additional work can be justified.

(b) Water: The Department does not pay water charges in Australia. The water charges are paid by the building owners.

(2) Since 1 July 2000, the measures instigated to reduce electricity and water usage are:

Electricity: The lighting and air-conditioning in the RG Casey Building is pulsed off at 7pm every working day and all hours on weekends and public holidays (except in the 24 hour operational areas). The RG Casey Building is certified to comply with ISO 14001:2004. The building owner is implementing a new 'Building Management System (BMS)' in 2006-07 which should show further improvements.

Water: The department has instigated an education campaign on reducing water consumption and has posted signs for users to turn off taps and save water. The building owner has installed dual flush toilets and the ACT Government stage 3 restrictions are in place for watering of lawns and fountain operation.

Attorney-General's: Electricity and Water**(Question No. 5215)**

Mr Kelvin Thomson asked the Attorney-General, in writing, on 7 December 2006:

- (1) For each financial year since 1 July 2004, what sum has the Minister's department spent on (a) electricity and (b) water.
- (2) Since 1 July 2000, what measures has the department instigated to reduce electricity and water usage.

Mr Ruddock—The answer to the honourable member's question is as follows:

- (1) (a) 2004/05 – \$503,953.54
2005/06 – \$533,026.59
2006/07 – \$448,015.04
- (b) 2004/05 – \$46,858.92
2005/06 – \$49,654.04
2006/07 – \$39,654.37.

These figures cover the period up until March 2007.

- (2) Dual flush capability is in place for the majority of toilets in premises occupied by the Department and portfolio agencies with some having a combination of both. The exception to this is some smaller portfolio offices and Robert Garran Offices that have single flush only due to the age of the accommodation. The Attorney-General's Department will relocate from Robert Garran Offices to a new building in 2009 that will have dual flush toilets, serviced by rain water tanks.

The Department has also instigated the following measures: the installation of automatic timer switches to select lights and air conditioners; installation of a bore and metered pump for watering the gardens; monitoring of power and water usage monthly; the closing of the pool facility at Emergency Management Australia, Mt Macedon; the installation of door seals; the use of energy saving lamps; and the replacement of sink sets with water saving units.

Communications, Information Technology and the Arts: Electricity and Water
(Question No. 5216)

Mr Kelvin Thomson asked the Minister representing the Minister for Communications, Information Technology and the Arts, in writing, on 7 December 2006:

- (1) For each financial year since 1 July 2004, what sum has the Minister's department spent on (a) electricity and (b) water.
- (2) Since 1 July 2000, what measures has the department instigated to reduce electricity and water usage.

Mr McGauran—The Minister for Communications, Information Technology and the Arts has provided the following answer to the honourable member's question:

(1)

Financial Year	Electricity	Water *
2004/2005	\$496,627	\$40,434
2005/2006	\$498,113	\$43,887
2006/2007	\$288,818	\$23,507

* Water charges are for Old Parliament House only; water charges for all other sites are included in rent payments.

(2) Measures to reduce electricity and water usage include:

- Upgrade of the electronic lighting control systems,
- Energy saver mode enabled on office equipment,
- Consideration of energy efficiency ratings prior to purchasing electrical equipment,
- Installation of flow restriction discs,
- Installation of water saving shower heads,
- Installation of air cooled chillers on the air conditioning system at Old Parliament House,
- Reduction of external irrigation times, and
- Improved staff awareness regarding environmental issues in general.

Immigration and Citizenship: Electricity and Water
(Question No. 5217)

Mr Kelvin Thomson asked the Minister for Immigration and Citizenship, in writing, on 7 December 2006:

- (1) For each financial year since 1 July 2004, what sum has the Minister's department spent on (a) electricity and (b) water.
- (2) Since July 2000, what measures has the department instigated to reduce electricity and water usage.

Mr Andrews—The answer to the honourable member's question is as follows:

(1) The department has spent the following for each financial year:

- (a) Electricity
 - 2004/05 FY, \$ 2,024,997.52.
 - 2005/06 FY, \$ 2,393,890.51.

(b) Water

2004/05 FY, \$ 286,678.62.

2005/06 FY, \$ 283,569.38.

The water costs are only for the department's owned sites. Where the department leases accommodation, these sites are not separately metered and are included in the lessor's outgoings.

(2) The department has instigated the following:

The department has an Environmental Management System which provides guidance on energy management and water conservation.

Practical measures include the introduction of lighting management systems, timer switches on lighting and air-conditioning, and the purchase of energy and water efficient whitegoods.

Education, Science and Training: Electricity and Water**(Question No. 5224)**

Mr Kelvin Thomson asked the Minister for Education, Science and Training, in writing, on 7 December 2006:

- (1) For each financial year since 1 July 2004, what sum has the Minister's department spent on (a) electricity and (b) water.
- (2) Since 1 July 2000, what measures has the department instigated to reduce electricity and water usage.

Ms Julie Bishop—The answer to the honourable member's question is as follows:

- (1) (a) 2004/2005, \$606,947.52
2005/2006, \$742,445.93
2006/2007 (to 31 March 2007), \$444,044.70
- (b) *
2004/2005, \$7,347.61
2005/2006, \$1,536.70
2006/2007 (to 31 March 2007), \$2,989.17

*The majority of the department's occupancy is in leased offices, and water supply is not separately metered for individual tenancies. Building owners recover water costs as part of general building outgoing charges.

- (2) From Financial Year 2000/2001 DEST has taken a number of steps to reduce electricity consumption, including zoned lighting controls and introducing cleaning during daylight hours. In June 2001, DEST joined a consortium of Commonwealth agencies in Canberra to purchase bulk electricity, which includes generation from renewable energy sources

In 2003/2004, DEST introduced multifunctional office machines, which provide greater energy efficiency than older printers, copiers and fax machines. Energy efficiency is also actively considered in procurement decisions for electrical equipment, such as personal computers, and the department recently entered into a new personal computer supply contract that is expected to result in a 30% reduction in energy consumption.

DEST also actively engages with building owners to promote water and other conservation measures. The department currently leases four buildings that have implemented waterless urinals. In August 2006 the department wrote to all its building owners and managers to encourage them to implement water conservation measures including waterless urinals and tap flow dispersers.

The department also has a high content recycled paper policy in place and has established environmental management systems and policies under its “EnviroDEST” logo encouraging all staff to “Rethink Reduce Reuse Repair Recycle”, including electricity and water usage at home and at the office.

Questions in Writing

(Question No. 5253)

Mr Kelvin Thomson asked the Minister for Workforce Participation, in writing, on 7 December 2006:

- (1) Since 1 July 2005, how many Questions in Writing has the Minister received.
- (2) In respect of the questions referred to in Part (1), what proportion has been fully answered and how many are yet to be answered.

Dr Stone—The answer to the honourable member’s question is as follows:

- (1) Since 1 July 2005 the Minister for Workforce Participation has received 20 Questions in Writing.
- (2) There have been 14 answered and 5 are still yet to be answered by the Minister for Workforce Participation.

Please note one of the 20 received was transferred to another Minister to provide a response.

All figures provided are as at 4 April 2007.

Media Releases

(Question No. 5287)

Mr Murphy asked the Minister representing the Minister for Human Services, in writing, on 7 December 2006:

- (1) How many ministerial and departmental media releases were drafted by the Department of Human Services and/or any human services agency in (a) 2005 and (b) 2006.
- (2) How many approximate hours did it take departmental and/or human services agency staff to draft all media releases in (a) 2005 and (b) 2006.
- (3) What was the estimated cost to the department and/or human services agencies of drafting all media releases in (a) 2005 and (b) 2006.
- (4) Have any media releases drafted by departmental and/or human services agency staff been critical of ALP policy, statements or members.

Mr Brough—The Minister for Human Services has provided the following answer to the honourable member’s question:

Core Department

- (1) In 2005 the Department of Human Services drafted three ministerial/ departmental media releases. In 2006 six ministerial/ departmental media releases were drafted.
- (2) The Department does not keep records of the time taken to draft media releases.
- (3) Because the Department does not keep records of the time taken to draft media releases, it is not possible to estimate the cost associated with this task.
- (4) The Department of Human Services does not draft media releases criticising the policies of any political parties.

Child Support Agency

- (1) (a) The CSA drafted 72 media releases in 2005 issued by CSA (including individual localised releases for Community Information Sessions) and drafted 2 CSA related media releases in 2005 for the Minister's office.
(b) The CSA drafted 113 media releases in 2006 (including individual localised releases for Community Information Sessions) for issue by CSA and drafted 16 CSA related media releases in 2006 for the Minister's office.
- (2) (a) The CSA spent approximately 74 hours drafting media releases in 2005.
(b) The CSA spent approximately 129 hours drafting media releases in 2006.
- (3) (a) Drafting media releases cost the CSA an estimated \$3,256 in 2005.
(b) Drafting media releases cost the CSA an estimated \$5,676 in 2006.
- (4) None of the media releases drafted by the CSA in 2005 or 2006 were critical of ALP policy, statements or members.

CRS Australia

- (1) CRS Australia drafted the following number of ministerial and departmental media releases:
(a) 2005: nil
(b) 2006: two
- (2) It took CRS Australia approximately the following hours for staff to draft all media releases:
(a) 2005: nil
(b) 2006: ten
- (3) CRS Australia had the following estimated cost of drafting all media releases:
(a) 2005: nil
(b) 2006: \$498.30
- (4) CRS Australia has had no media releases which have been critical of ALP policy, statements or members.

Centrelink

- (1) Centrelink prepared a total of 34 Ministerial media releases and 459 Centrelink media releases in 2005. In 2006, staff prepared 94 Ministerial media releases and 401 Centrelink media releases. The majority of these media releases contained service delivery information for customers in specific geographical areas.
- (2) Centrelink does not keep a record of the hours taken to draft media releases.
- (3) Centrelink does not keep a record of the cost to draft media releases.
- (4) No media releases drafted by agency staff have been critical of ALP policy, statements or members.

Medicare Australia

- (1) (a) 61.
(b) 67.
- (2) (a) 90.
(b) 100.
- (3) (a) \$4500 (based on gross hourly non SES rate).
(b) \$5000 (based on gross hourly non SES rate).
- (4) No.

Australian Hearing

- (1) Australian Hearing drafted approximately 13 ministerial media releases in 2005 and 60 in 2006.
- (2) Australian Hearing spent approximately 80 hours in 2005 and 75 hours in 2006 drafting ministerial media releases.
- (3) Australian Hearing spent an estimated \$25,000 in 2005 and \$18,000 in 2006 on drafting ministerial media releases.
- (4) No ministerial media releases drafted by Australian Hearing were critical of ALP policy, statements or members.

Health Services Australia

- (1) Health Services Australia drafted two company media releases in 2005 and nine in 2006.
- (2) Drafting time was approximately 8 hours in 2005 and 45 hours in 2006.
- (3) The cost of drafting releases was \$461 in 2005 and \$2,700 in 2006.
- (4) No media releases drafted in either year was critical of ALP policy, statements or members.

To prepare this answer it has taken approximately 9 hours at an estimated cost of \$555.

Parliament: Travel Services**(Question No. 5289)**

Ms Hoare asked the Special Minister of State, in writing, on 7 December 2006:

- (1) Will he provide details of projected savings that will arise from the require increased use of the electronic parliamentary travel booking system, which has been included as a productivity increase for staff under the proposed Members of Parliament (Staff) Certified Agreement 2006-2009.
- (2) Do the projected savings take account of the requirement of many Members and Senators to make frequent changes to reservations, which may not be made on the electronic parliamentary booking system.
- (3) Were projected savings a consideration in the recent selection of a provider of parliamentary travel services; if so, were all tenderers made aware of the anticipated savings.
- (4) Can he confirm that, in order for savings and productivity increases to be achieved, the travel requirements of Members and Senators will determine whether staff employed under the proposed Members of Parliament (Staff) Certified Agreement 2006-2009 receive pay increases in 2007 and 2008; if so, was this considered when the anticipated productivity increase was included in the proposed agreement.

Mr Nairn—The answer to the honourable member's question is as follows:

- (1) The increase in use of the on-line domestic travel booking system, to nine per cent in 2007 and 15 per cent in 2008 was identified as a productivity initiative during the consultation process for the Members of Parliament (Staff) Collective Agreement 2006-2009. Discussions with members of the Staff Representative Group highlighted the on-line domestic travel booking system as an area where utilisation could be increased without impacting upon the operations, flexibility or entitlements of Senators and Members.
- (2) The projected increases remained small to take into account the requirement of many Senators and Members to make frequent changes to reservations.
- (3) The innovative use of technology was identified as a key objective of the Parliamentary Travel Services request for tender. Tenderers were required to provide a Strategic Services Plan (SSP) outlining their approach to the phased development and the introduction of initiatives to improve the cost effectiveness and quality of service delivery and to improve the overall value for money. In addition, Finance provided a pricing model for tenderers to complete that would enable the identi-

fication and comparison of charges for on-line bookings, consultant assisted bookings and bundled bookings. This pricing information and the SSP formed part of the tender evaluation and assisted in establishing the overall best value for money offer.

- (4) I can confirm that the travel requirements of Members and Senators will not be the sole determinant of whether staff receive the pay increases in 2007 and 2008 under the new Collective Agreement as the targets relate to overall use of the system, rather than the bookings made by Senators or Members only.

Aviation Security

(Question No. 5300)

Mr Bevis asked the Minister for Transport and Regional Services, in writing, on 6 February 2007:

In respect of walk-through metal detector booths at Australian airports: (a) is the detection level of the booths set and calibrated by private sector contractors or by government employees; (b) are booths at different airports calibrated to different levels, if so why; and (c) how often are (i) metal detector booths inspected and recalibrated and (ii) unannounced inspections conducted.

Mr Vaile—The answer to the honourable member's question is as follows:

- (a) Walk through metal detectors (WTMDs) are calibrated by security officers contracted by the relevant airport screening authority.
- (b) Walk through metal detectors must be calibrated for each specific location in which they are installed to take into account external factors such as steel reinforcing in floors, metal in surrounding structures and electrical influence from essential wiring.
- (c) (i) Security authorities are required to inspect and calibrate the walk through metal detectors on a daily basis. Government employees regularly inspect the testing and use of walk through metal detectors.
- (ii) My Department's records indicate that for the 2006/2007 Financial Year there have been 71 systems tests of screening points conducted at screened airports around Australia, as at 16 March 2007. All systems tests involve unannounced inspections.

Aviation Security

(Question No. 5301)

Mr Bevis asked the Minister for Transport and Regional Services, in writing, on 6 February 2007:

In respect of the Office of Transport Security and the Aviation Transport Security Act 2004 and the Aviation Transport Security Regulations 2005, for each year since 2005: (a) how many infringement notices were served for a breach of Regulation 4.67 (Security of Flight Crew Compartment) and how many people were successfully prosecuted for a breach of that Regulation; and (b) how many people were charged with breaching Regulation 9.01 (Bomb hoaxes etc.) and how many of those were convicted.

Mr Vaile—The answer to the honourable member's question is as follows:

- (a) Since 2005 no infringement notices were served and no persons were prosecuted.
- (b) 2005 – 15 persons were charged and 5 of those were convicted
2006 – 11 persons were charged and 5 of those were convicted
2007 – 2 persons were charged and of those 1 was convicted (at 1 March)

Whaling**(Question No. 5313)**

Mr Martin Ferguson asked the Minister for Transport and Regional Services, in writing, on 6 February 2007:

In respect of the pursuit of Japanese whaling vessels by environmental non-government agencies in the Antarctic and sub-Antarctic waters, (a) has the Government advised the Japanese Government and environmental non-government agencies of the need to adhere to international maritime safety conventions, laws and regulations and (b) will the Australian Maritime Safety Authority seek to control and provide guidance on ship operations in and around the Australian, Antarctic and sub-Antarctic waters during the current whaling season.

Mr Vaile—The answer to the honourable member's question is as follows:

- (a) Yes.
- (b) AMSA exercises its powers under international ship safety and pollution prevention conventions to conduct port State control inspections of foreign ships visiting Australian ports. As the Japanese whaling operations are generally conducted on the high seas in the Southern Ocean, international ship safety and pollution prevention conventions do not provide powers to AMSA to control compliance by foreign ships operating on the high seas. This is a matter for the ship's flag State. AMSA is supporting cooperative action at the International Maritime Organization to promote more robust safety and pollution prevention guidelines for ship operations in ice-covered waters and to consider a new work item concerning rules of engagement for protest vessels. AMSA issued Marine Notice 4/2006 on 18 January 2006 providing general advice to the shipping industry about ship safety and marine pollution prevention in Antarctic and Sub-Antarctic waters. Marine Notice 4/2006 is available on AMSA's Internet site at: <www.amsa.gov.au>

Australians Facing Legal Charges Overseas**(Question No. 5316)**

Mr Kelvin Thomson asked the Minister for Foreign Affairs, in writing, on 6 February 2007:

In respect of his statement on ABC radio on 9 January 2007 that around 180 Australians are facing legal charges overseas and that some Australian politicians, while taking an interest in the case of Mr David Hicks, are not displaying an interest in the other cases: (a) what is the usual city or town of residence of each of the 180 Australians currently facing charges abroad and (b) for each of the 180 cases, will he provide details of (i) the charges that have been brought against the individual, (ii) the length of time for which the individual has been detained and (iii) the consular assistance that the individual has received.

Mr Downer—The answer to the honourable member's question is as follows:

On 1 February this year 176 Australians were serving sentences overseas following convictions. A further 267 were facing charges overseas, 118 of whom were detained. The nature of the charges and offences range widely, although approximately 130 of those Australians either arrested or convicted faced narcotics charges. Collating details on the charges they face, their usual city or town of residence in Australia, the period they have been detained and the consular assistance given them would require an unreasonable diversion of resources. Attached is a table summarising the location of Australians detained or facing charges overseas, as at 1 February 2007.

Australians Overseas

Snap shot of 24 hour period - from 31 Jan 2007 to 1 Feb 2007

	Arrested Not Detained	Arrested And Detained	Convicted
Argentina	1	1	4
Bahrain	1	0	0
Bangladesh	0	1	0
Belgium	1	0	0
Brazil	1	0	1
Bulgaria	0	1	1
Cambodia	1	1	6
Canada	3	4	1
Chile	2	1	1
China	4	8	6
Cook Islands	1	0	0
Costa Rica	1	0	0
Croatia	1	0	3
Cyprus	1	0	2
Czech Republic	1	0	1
Ecuador	0	1	0
Egypt	2	0	0
El Salvador	0	0	2
Fiji	6	0	1
France	2	4	1
Germany	0	4	4
Ghana	2	0	0
Greece	1	4	7
Hong Kong	10	0	8
Hungary	1	0	1
India	2	4	0
Indonesia	3	2	12
Iraq	1	3	0
Ireland	0	0	1
Israel	1	0	0
Italy	1	1	4
Japan	7	5	5
Jordan	1	0	0
Kazakhstan	0	0	1
Kenya	1	0	0
Kuwait	0	0	1
Laos	0	0	2
Lebanon	5	4	2
Malaysia	2	2	0
Malta	0	3	0
Mauritius	0	2	0
Mexico	0	0	1
Netherlands	0	1	1
New Caledonia	0	1	0
New Zealand	7	13	25

	Arrested Not Detained	Arrested And Detained	Convicted
Norway	0	1	0
Oman	0	0	1
Papua New Guinea	2	0	0
Peru	1	2	0
Philippines	6	3	0
Poland	1	2	0
Portugal	0	1	0
Romania	0	1	1
Serbia and Montenegro	0	0	2
Singapore	2	2	0
Solomon Islands	2	2	0
South Africa	4	1	0
Spain	2	1	0
Sri Lanka	0	1	0
Sweden	0	0	2
Switzerland	0	1	1
Syria	0	1	0
Taiwan	1	0	0
Thailand	17	1	14
United Arab Emirates	10	0	0
United Kingdom	9	1	8
United States of America	16	16	29
Uruguay	0	0	1
Vanuatu	1	5	0
Vietnam	1	4	12
Zimbabwe	0	1	0
Total	149	118	176

Living Murray Initiative

(Question No. 5318)

Mr Georganas asked the Minister for the Environment and Water Resources, in writing, on 6 February 2007:

In respect of the four water recovery packages currently being implemented under The Living Murray initiative; namely NSW Water Recovery Package A, NSW Water Recovery Package B, Lake Mokoan Recovery Package and Goulburn Murray Water Recovery Package: (a) will the packages be implemented respectively by (i) August 2007, (ii) December 2007, (iii) December 2008 and (iv) September 2009; (b) are the four projects currently expected to deliver 240 gigalitres of recovered water, as originally projected; and (c) what proportion of funding for each package is being provided by the Commonwealth government.

Mr Turnbull—The answer to the honourable member's question is as follows:

- (a) NSW and Victoria are yet to provide the Australian Government with Final Investment plans for NSW Water Recovery Package A, NSW Water Recovery Package B or the Victorian Lake Mokoan Water Recovery Package. I am therefore unable to confirm the date by which these three projects will be implemented.

The signed investment agreement for the Goulburn Murray Water Recovery Package sets out a timeline for implementation with completion of the project scheduled for June 2009.

(b) Yes.

(c) Under the current Living Murray Business Plan, the Australian Government can invest up to 40% of the cost of each water recovery project.

When the new The Living Murray Business Plan is approved, the Australian Government would then be able to contribute up to 28.5% of the cost of each water recovery project brought forward to this time.

Mr David Hicks

(Question No. 5319)

Mr Georganas asked the Minister for Foreign Affairs, in writing, on 6 February 2007:

In respect of Australian consular visits made to Mr David Hicks: (a) how many visits have been made; (b) what was the purpose of each visit; (c) how many of the visits were requested by Mr Hicks; (d) what were the positions and qualifications of the persons making each visit; (e) were any visits made by (i) a registered doctor, (ii) a registered psychologist or (iii) any other type of medical practitioner; (f) were consular officials accompanied by officers of United States authorities; if so, what were the positions of those officers; (g) were the visits otherwise supervised, monitored or recorded by United States authorities; (h) what conditions did United States authorities impose upon the visits; and (i) have any visits planned by Australian consular officials been denied by United States authorities.

Mr Downer—The answer to the honourable member's question is as follows:

- (a) Mr Hicks has been visited by Australian officials on 20 occasions since his detention in 2001 - 19 visits to Guantanamo Bay and once on the USS Peleliu immediately after he was detained.
- (b) The purpose of the visits has changed over time, from an initial focus on security and law enforcement by relevant agencies to a focus purely on Mr Hicks' welfare. On each occasion Mr Hicks' welfare has been assessed.
- (c) None, however in common with standard practice DFAT consular officers have sought to visit Mr Hicks on a regular basis.
- (d) Since February 2004, 14 visits have been undertaken by the Consul-General, Australian Embassy Washington. There were six earlier visits undertaken by officials from security and law enforcement agencies and DFAT officials participated in two of the earlier visits.
- (e) No.
- (f) and (g) No. Consular officials have, on occasion, been accompanied by relevant officials from the US Department of Defense. However, since the start of 2005, consular officials have met with Mr Hicks alone. To our knowledge, consular visits to Mr Hicks have not been supervised, monitored or recorded by US authorities.
- (h) While some conditions consistent with a visit to a maximum security facility are imposed by US authorities, these conditions did not prevent us from undertaking our consular role.
- (i) No.

Civil Aviation Safety Authority: Virgin Blue Flight DJ434

(Question No. 5324)

Ms George asked the Minister for Transport and Regional Services, in writing, on 6 February 2007:

- (1) Is he aware of a serious incident that took place on a Virgin Blue Flight (DJ 434) from Perth to Sydney on 10 March 2005; if not, why not.

- (2) Can he explain why there was no immediate and full inquiry into this serious incident.
- (3) Can he explain why there was a delay in investigating the matter; if not, why not.
- (4) Can he outline the Civil Aviation Safety Authority's reporting requirements for notifying him of such incidents.
- (5) Is he aware that between January 2004 and April 2005 there were 32 formal complaints in respect of the over-consumption of alcohol on domestic flights; if so, what is his response, in the light of current concerns regarding airline security.
- (6) Does the Government plan to review Responsible Service of Alcohol provisions in relation to airline travel; if not, why not.

Mr Vaile—The answer to the honourable member's question is as follows:

- (1) Yes. The Civil Aviation Safety Authority (CASA) has examined a passenger complaint about alleged loutish behaviour and excessive alcohol consumption on Virgin Blue Flight DJ434 on 10 March 2005.
- (2) I am advised that the allegation was investigated by Virgin Blue in April 2005 according to its internal procedures and the results reported to CASA. CASA advised that it also investigated the allegation and was satisfied that there was no safety issue involved and that the matter was handled appropriately by Virgin Blue.
- (3) There was no delay in investigating the matter.
- (4) CASA provides regular reports to the Minister on significant aviation safety related incidents and developments. Passenger complaints about alcohol consumption are usually managed by CASA and the relevant airline.
- (5) See (4) above.
- (6) CASA advises that an airline is required to hold a liquor license to enable it to serve alcohol. These are State licenses. The licensing regulations require the airline licensee to have a Responsible Service of Alcohol policy. The Australian Government does not intend to review the Responsible Service of Alcohol guidelines used by the airlines.

Princes Highway

(Question No. 5326)

Ms George asked the Minister for Transport and Regional Services, in writing, on 6 February 2007:

- (1) What plans have been made to ensure that the entire Princes Highway from Sydney to Melbourne will be examined as part of the AusLink corridor strategy program.
- (2) Has the Department of Transport and Regional Services ascertained whether any part of the Princes Highway from Wollongong to Sale should be included in the next AusLink program.
- (3) What studies were undertaken, or are being undertaken, to enable an expansion of the AusLink network beyond Wollongong, southwards to Nowra and beyond.
- (4) What sections of the Princes Highway from Wollongong to Sale will be considered in the next AusLink program.
- (5) On what basis can sections of the Princes Highway south of Nowra to Lakes Entrance be considered in future AusLink programs beyond the next five-year or six-year program.
- (6) What measures can be taken to have a highway or regionally important road investigated for inclusion in the AusLink program and what significance is given to tourism in assessing the economic significance of a road or highway to a particular region.

Mr Vaile—The answer to the honourable member's question is as follows:

- (1) Sections of the Princes Highway between Sydney and Wollongong and between Melbourne and Sale are each on the defined AusLink National Network and are each examined in a corridor specific study. The Princes Highway between Wollongong and Sale is not part of the defined AusLink National Network; its contribution to traffic movements is considered in the Sydney-Melbourne corridor strategy.
- (2), (3), (4) The assessment of the extent to which the Princes Highway should be part of the AusLink National Network was made as part of the Government's consideration of the extent of the Network in 2004. Parts of the road not declared to be on the Network remain the responsibility of the NSW and Victorian Governments.
- (5) and (6) AusLink includes four major programme elements. Only projects on the AusLink National Network can be funded as National Projects. The Australian Government has funded four projects on the Princes Highway under the AusLink Strategic Regional Programme: Princes Highway Safety Works (\$15m); Pambula River Bridge (\$5m); Batemans Bay Bypass (\$10m); and Conjola Mountain Deviation (\$10m).

Corporatised Medical Practices

(Question No. 5327)

Ms George asked the Minister for Health and Ageing, in writing, on 6 February 2007:

- (1) What are the names of the publicly listed companies that operate corporatised medical practices.
- (2) How many medical centres were operated by each of those companies in (a) 2006 and (b) for each calendar year since 2000.
- (3) What is the total number and percentage of full-time equivalent general practitioners now working as employees of medical practices operated by the companies identified in Part (1).

Mr Abbott—The answer to the honourable member's question is as follows:

- (1) The main publicly listed companies providing corporatised general practice services my department is aware of are Primary Health Care, Symbion Health (formerly Mayne Health) and Independent Practitioner Network.
- (2) This data is not collected by the Department of Health and Ageing. Under Medicare arrangements for general practice, the Commonwealth's relationship is with individual providers. These arrangements do not take into account the organisational relationship under which medical practitioners work.

The following table was produced from publicly available information and shows number of medical centres by company (current as at 23 February 2007).

Company Name	Medical Centres ¹
Symbion Health	49
Independent Practitioner Network	78
Primary Health Care	31

- (3) This data is not collected by the Department of Health and Ageing. The most recent data from 2002², estimates that a total of 2.5% of general practices in Australia are corporatised, employing 7.8% of the total General Practitioners in Australia.

¹ In About Us on www.symbionhealth.com, www.ipnet.com.au and www.primaryhealthcare.com.au

² Rudd, C. and Watts, I. (2005) The industry of general practice: its infrastructure. In: General Practice in Australia 2004. (2005), Australian Government, Department of Health and Ageing, Canberra, Table 9.1, page 377

Aged Care**(Question No. 5329)**

Ms George asked the Minister for Ageing, in writing, on 6 February 2007:

Based on the most recent data available:

- (a) how many persons aged 70 and over reside in the Illawarra Aged Care Planning Region (i) in total and (ii) by each local government area;
- (b) how many (i) high-care places, (ii) low-care places, (iii) community packages and (iv) total places are now operational in the Illawarra Aged Care Planning Region;
- (c) what is the number of (i) high-care places, (ii) low-care places, (iii) community packages and (iv) total places that are now operational per 1,000 people over 70 years of age;
- (d) how many (i) high-care places, (ii) low-care places, (iii) community packages and (iv) total places have been allocated to the Illawarra Aged Care Planning Region;
- (e) what is the ratio of (i) high-care places, (ii) low-care places, (iii) community packages and (iv) total places that have been allocated to the Illawarra Aged Care Planning Region per 1,000 people over 70 years of age;
- (f) how many (i) high-care places, (ii) low-care places, (iii) community packages and (iv) total places allocated since 2000 are yet to become operational in the Illawarra Aged Care Planning Region;
- (g) since 2000, which providers have been granted approval to operate (i) high-care places, (ii) low-care places, (iii) community packages and (iv) total places, and (v) which have yet to translate their allocated places into operational places;
- (h) in respect of the non-operation places identified in Part (g), what is the reason for delay in the places becoming operational;
- (i) of the total number of operational community care places in the Illawarra Aged Care Planning Region, how many are (i) Community Aged Care packages, (ii) Extended Aged Care at Home or (iii) Extended Aged Care at Home Dementia Packages; and
- (j) how many further places have been allocated in each of the community care categories and when will they become operational.

Mr Pyne—The answer to the honourable member's question is as follows:

In the Illawarra Aged Care Planning Region as at 30 June 2006:

- (a) the number of people aged 70 and over by local government area¹ is as follows:

Kiama, 2,737

Shellharbour, 5,418

Shoalhaven, 13,608

Wollongong, 21,515

Total for planning region, 43,278

- (b), (c), (d), (e) and (f). The numbers of operational and allocated places and associated ratios for each care type are provided in the following table:

Status of aged care places	Residential high care (i)	Residential low care (ii)	Community care (iii)	Total (iv)
Operational places	1,467	1,535	955	3,957
Operational places per 1,000 persons aged 70 and over (ratio)	33.9	35.5	22.1	91.4

Status of aged care places	Residential high care (i)	Residential low care (ii)	Community care (iii)	Total (iv)
Allocated places	1,744	2,366	955	5,065
Allocated places per 1,000 persons aged 70 and over (ratio)	40.3	54.7	22.1	117.0
Places allocated since 2000 yet to become operational	245	831	-	1,076

(g) Since 2001², the following providers have been allocated:

(i) high-care places

Australian Aged Care (No 2) Pty Ltd
 Calendula Pty Ltd
 Primelife Corporation Ltd
 The Uniting Church in Australia Property Trust (NSW)
 Illawarra Retirement Trust
 Inasmuch Community Inc
 Kenna Investments Pty Ltd
 The Hammond Care Group
 Wollongong Aged Care Centre Pty Ltd

(ii) low-care places

Australian Aged Care (No 2) Pty Ltd
 Calendula Pty Ltd
 Illawarra Retirement Trust
 The Churches of Christ Property Trust
 The Corporation of the Trustees of the Order of the Sisters of Perpetual Adoration of the
 Blessed Sacrament
 The Uniting Church in Australia Property Trust (NSW)
 Warrigal Care
 Illawarra Diggers Aged and Community Care Residence Incorporated
 Primelife Corporation Ltd
 Inasmuch Community Inc
 Kenna Investments Pty Ltd
 Nowra Park Pty Limited
 The Hammond Care Group
 United Protestant Association of NSW Limited
 Wollongong Aged Care Centre Pty Ltd

(iii) community care places

The Trustees of the Roman Catholic Church for the Diocese of Wollongong
 The Uniting Church in Australia Property Trust (NSW)
 C Rafin & Co Pty Ltd
 Illawarra Retirement Trust

-
- The Council of the Municipality of Kiama
The Hammond Care Group
Anglican Retirement Villages
Baptist Community Services – NSW & ACT
Greek Orthodox Archdiocese of Australia Consolidated Trust
Illaroo Co-operative Aboriginal Corporation
The Churches of Christ Property Trust
- (iv) The total number of places allocated since 2001 is 1,627².
- (v) The following providers have some places that are yet to be operational:
- Illawarra Diggers Aged and Community Care Residence Incorporated
Illawarra Retirement Trust
Warrigal Care
The Churches of Christ Property Trust
Illaroo Co-operative Aboriginal Corporation
The Uniting Church in Australia Property Trust (NSW)
Australian Aged Care (No.2) Pty Ltd
Inasmuch Community Inc
Kenna Investments Pty Ltd
The Hammond Care Group
Nowra Park Pty Limited
Calendula Pty Ltd
Primelife Corporation Ltd
Wollongong Aged Care Centre Pty Ltd
- (h) In accordance with the Aged Care Act 1997, approved providers are allowed two years to bring their provisionally allocated places into operation before they must apply for an extension. Only those places that were allocated more than two years ago are considered to be delayed. The following providers have provisionally allocated places that were more than two years old as at 30 June 2006. The reason for any delay is protected information under the Aged Care Act 1997.
- Calendula Pty Ltd
Illaroo Co-operative Aboriginal Corporation
Illawarra Diggers Aged and Community Care Residence Incorporated
Inasmuch Community Inc
Primelife Corporation Ltd
Warrigal Care
- (i) of the total number of operational community places in the Illawarra aged care planning region, there are:
- (i) 847 Community Aged Care Packages
(ii) 93 Extended Aged Care at Home Packages
(iii) 15 Extended Aged Care at Home Dementia Packages.
-

(j) All allocated community care places are operational.

¹ These are population projections provided by the Australian Bureau of Statistics.

² Data for 2000 is not readily available.

Sydney (Kingsford Smith) Airport

(Question No. 5336)

Mr Murphy asked the Minister for Transport and Regional Services, in writing, on 6 February 2007:

- (1) Prior to the privatisation of Sydney Airport, was it subject to price regulation in the form of price notification and price monitoring by the Australian Competition and Consumer Commission (ACCC); if so, did this price regulation include the regulation of prices notification for aeronautical services and monitoring of aeronautical-related services in the Prices Surveillance Act 1983.
- (2) In December 2000, prior to the expiration of the price caps for Sydney Airport, did the Commonwealth Government ask the Productivity Commission to inquire whether price regulation was required at privatised airports, one of which was Sydney Airport.
- (3) Did the Productivity Commission opt for a 'light handed' approach in its recommendations, recommending that price caps and prices notification arrangements at Sydney Airport should be replaced by a mandatory price monitoring arrangement for a probationary five year period.
- (4) On 13 May 2002, did he announce that the Government had accepted the Productivity Commission's recommendations that Sydney Airport be subject to price monitoring for five years, effective from 1 July 2002.
- (5) On 13 May 2002, did he further announce that the new arrangements would not impact on regional airline operations into and out of Sydney and that regional airlines would continue to be guaranteed reasonable access to Sydney Airport under the slot management system and with a prohibition on any increases in aeronautical charges that exceed the Consumer Price Index.
- (6) Has he read the ACCC media statement titled ACCC Decision on Sydney Airport Prices (Release MR 110/01, 11 May 2001), which states that a decision was made to increase Sydney Airport Corporation Limited's (SACL) aeronautical revenue in 2000-2001 from around \$93 million to around \$183 million, an increase of \$90 million or 97 per cent, which compares to the increase sought by SACL of around 130 per cent.
- (7) Since privatisation, has the aeronautical revenue of Sydney Airport increased at a higher rate than the CPI; if so, by what sum for the period 2000 to 2006.
- (8) Can he confirm that any increase in aeronautical revenue being imposed on regional aircraft seeking to use Sydney Airport results in the financial exclusion of smaller and regional aircraft from Sydney Airport, thus denying such flights reasonable economic access to Sydney Airport; if not, why not.
- (9) Can he confirm that any increase in aeronautical charges at Sydney Airport will affect the purchase of slots at Sydney Airport and force airlines to choose Bankstown Airport instead; if not, why not.
- (10) Can he confirm that the current arrangement for airport pricing regulation at Sydney Airport means that Sydney Airport's slot management system is now priced so that only large jet aircraft will be able to afford aeronautical charges at that airport, whilst regional flights will be priced out and hence compelled to use Bankstown airport; if not, why not.

Mr Vaile—The answer to the honourable member's question is as follows:

- (1) Yes, this price regulation was authorised via Direction 15 and Direction 16 which were made pursuant to the then Price Surveillance Act 1983.
- (2) Yes.
- (3) Yes.
- (4) Yes. The Treasurer, the Honourable Peter Costello MP, and the then Deputy Prime Minister and Minister for Transport and Regional Services, the Honourable John Anderson MP, did make that announcement.
- (5) Yes. The then Deputy Prime Minister and Minister for Transport and Regional Services, the Honourable John Anderson MP, did make that announcement.
- (6) Yes.
- (7) Yes, by a small margin. The Australian Competition and Consumer Commission (ACCC) has used aeronautical revenue (adjusted) per passenger as the primary measure of aeronautical prices. Therefore, the answer here is based on the aeronautical revenue (adjusted) per passenger. In addition, as Sydney Airport was privatised on 25 June 2002, the appropriate period for comparison is from July 2002 to June 2006.
According to the ACCC's airports price monitoring and financial report 2005-06 (the ACCC's 2005-06 report), over the period July 2002 to June 2006, aeronautical revenue per passenger excluding security (arising from Government-mandated security requirements) has increased by 13 per cent (see page 133 of the ACCC's 2005-06 report). Over the same period, the Consumer Price Index (CPI) rose by 12.1 per cent (Source: Australian Bureau of Statistics, Longer Term Series: CPI All Groups, Weighted Average of Eight Capital Cities). This sees aeronautical revenue increasing only 0.9 per cent higher than the CPI.
- (8) No. As indicated in Question (5), regional airline operations into and out of Sydney are guaranteed reasonable access to Sydney Airport under the slot management system and with a prohibition on any increases in aeronautical charges that exceed the Consumer Price Index.
- (9) No. Slots are allocated, not purchased. Sydney's slot management scheme is separated from airport pricing regulation at Sydney Airport.
- (10) No. See the answer for Question (9).

Bankstown Airport

(Question No. 5337)

Mr Murphy asked the Minister for Transport and Regional Services, in writing, on 6 February 2007:

Further to his reply to question No. 4817, what are the details of the international passenger aircraft that will be permitted to use Bankstown airport.

Mr Vaile—The answer to the honourable member's question is as follows:

Should Bankstown Airport wish to receive international operations either as charter or regular passenger services it would need to be designated as an international airport under the Air Navigation Act 1920 and establish the necessary border agency and security arrangements. The current Bankstown Airport Master Plan limits the capacity of the airport to code 3C aircraft such as the BAe146, Fokker F100, Airbus A318/319 and aircraft of a similar size.

Healthy Eating**(Question No. 5338)**

Mr Murphy asked the Minister for Families, Community Services and Indigenous Affairs, in writing, on 6 February 2007:

Further to his reply to question No. 4083 that “junk food is often competitively priced”, can he confirm that this means junk food is cheaper than fresh food and vegetables; if not, why not.

Mr Brough—The answer to the honourable member’s question is as follows:

Food prices, as with other products and as in the case of other remote communities, vary across the Anangu Pitjantjatjara Yankunytjatjara (APY) Lands in accordance with seasonal availability, power supply costs and competitive pricing practices.

The Australian Government does not set prices and is constitutionally prohibited from price fixing.

The government has established “Outback Stores”, a company that aims to reduce food costs and provide better quality food to remote communities. It will take a private sector approach to supporting Indigenous community stores that choose to participate.

Mr David Hicks**(Question No. 5344)**

Mr Murphy asked the Attorney-General, in writing, on 6 February 2007:

Further to his reply to Part (4) of question No. 4924, that “the Government has not sought Mr Hicks’ return to Australia”, will he explain why not.

Mr Ruddock—The answer to the honourable member’s question is as follows:

It has always been the Government’s position that Mr Hicks faced serious allegations and that he should face trial in relation to those allegations. On 30 March 2007 Mr Hicks was sentenced to 7 years imprisonment (6 years and 3 months of which was suspended) after he pleaded guilty to the charge of providing material support for terrorism. Mr Hicks has applied for a transfer to Australia to serve out his custodial sentence, in accordance with Australian legislation and the provisions of the prisoner transfer arrangement that Australia has in place with the United States. This application is being processed expeditiously.

Mr David Hicks**(Question No. 5345)**

Mr Murphy asked the Attorney-General, in writing, on 6 February 2007:

How does he reconcile the apparent inconsistency between (a) his statement to the *Sydney Morning Herald* on 15 August 2006, that he wanted fresh charges in place against Mr David Hicks “as soon as possible” and “were that not to be the case we would be seeking his [*Mr Hicks*]’ return in the same way we did with Mamdouh Habib” and (b) his reply to Part (4) of question No. 4924 that “the Government has not sought Mr Hicks’ return to Australia.”

Mr Ruddock—The answer to the honourable member’s question is as follows:

The Government’s position has always been that Mr Hicks should either be charged and face a military commission, which has happened, or be released and returned to Australia.

Organisation for Economic Cooperation and Development**(Question No. 5346)**

Mr Tanner asked the Minister representing the Minister for Justice and Customs, in writing, on 7 February 2007:

In respect of reports that representatives of Organisation for Economic Co-operation and Development (OECD) member nations have formally expressed concern at the UK's decision to abrogate the Serious Fraud Office investigation into BAE Systems' arms sales to Saudi Arabia:

- (a) has the OECD expressed its concern at this issue, and
- (b) what position has the Australian representative at the OECD taken on the issue.

Mr Ruddock—The Minister for Justice and Customs has provided the following answer to the honourable member's question:

- (a) Yes. The Secretary-General of the OECD issued a media release on 18 January 2007 reporting on the consideration of this matter by the OECD Working Group on Bribery in International Business Transactions at its January 2007 meeting. On 14 March 2007, the OECD issued a second media release reflecting the outcome of the consideration of the matter at the Working Group's March 2007 meeting. The media release of 14 March 2007 states that the Working Group '... maintains its serious concerns as to whether the decision was consistent with the OECD Anti-Bribery Convention' and records the decision of the Working Group to conduct a supplementary review of the United Kingdom focused on progress in enacting a new foreign bribery law and in broadening the liability of legal persons for foreign bribery.

The supplementary review will also examine whether systemic problems explain the lack of foreign bribery cases brought to prosecution as well as other matters raised in the context of the discontinuance of the BAE Al Yamamah investigation. The supplementary review will include an on-site visit to be conducted within one year. Both media releases are available at <<http://www.oecd.org>>.

- (b) As a signatory to the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, Australia fully supports the work of the Working Group and its decisions.

Mr David Hicks

(Question No. 5349)

Mr McClelland asked the Minister for Foreign Affairs, in writing, on 7 February 2007:

In respect of his comment of 19 January 2006 that Australian consular officials have made 17 visits to Guantanamo Bay to visit Mr David Hicks: (a) what was the date of each visit; (b) what was the purpose of each visit; (c) on which occasions did consular officials meet with Mr Hicks; (d) were any of the visits made for the purpose of assessing Mr Hicks' mental and physical health; if so, (i) against what criteria were the assessments made and (ii) what were the results for each criterion; (e) were any of the visits made for the purpose of assessing the conditions under which Mr Hicks is being held; if so, (i) against what criteria were the assessments made and (ii) what were the results for each criterion; and (f) did any consular official inspect the cell in which Mr Hicks was being held; if so, (i) upon what standard was the inspection based and (ii) what conclusions were drawn from the inspection.

Mr Downer—The answer to the honourable member's question is as follows:

- (a) See attached table, which includes two additional visits conducted after my comments of 19 January 2007.
- (b) The purpose of the visits has changed over time, from an initial focus on security and law enforcement by relevant agencies to a focus purely on Mr Hicks' welfare. On each occasion Mr Hicks' welfare was assessed.
- (c) See attached table.
- (d) Mr Hicks' welfare was assessed on the occasion of each visit.

- (i) DFAT consular officers follow standard reporting requirements for all prison visits, which include commenting on the physical condition and morale of the detainee and any complaints of mistreatment.
- (ii) Issues raised by Mr Hicks, his legal team or family related to his physical and mental health were taken up with Guantanamo Bay authorities.
- (e) The conditions under which Mr Hicks is being held were assessed on the occasion of each visit at which an official from my department was present.
 - (i) DFAT consular officers seek to ensure, as far as possible, during all prison visits that the basic needs of Australian prisoners are met and that the conditions of their detention are consistent with humanitarian standards of prisoner welfare. To this end they follow standard reporting requirements for all prison visits, which include commenting on issues such as the physical conditions of detention and the adequacy of available medical treatment.
 - (ii) Issues raised by Mr Hicks, his legal team or family related to his conditions of detention were taken up with Guantanamo Bay authorities.
- (f) Yes
 - (i) see (e) (i) above.
 - (ii) see (e) (ii) above.

No.	Date	Agency
1	14-16 May 2002	Law Enforcement/ Security agencies/ DFAT
2	14-15 August 2002	Security agencies
3	21 November 2002	Security agencies
4	29 May 2003	Security agencies
5	4-5 November 2003	Security agencies/ DFAT
6	3-4 February 2004	DFAT (Consul-General- Washington)
7	9 March 2004	DFAT (Consul-General- Washington)
8	12 May 2004	DFAT (Consul-General- Washington)
9	29 June 2004	DFAT (Consul-General- Washington)
10	4-5 August 2004	DFAT (Consul-General- Washington)
11	3 November 2004	DFAT (Consul-General- Washington)
12	17 January 2005	DFAT (Consul-General- Washington)
13	17-18 May 2005	DFAT (Consul-General- Washington)
14	15 September 2005	DFAT (Consul-General- Washington)
15	16 March 2006	DFAT (Consul-General- Washington)
16	8 June 2006	DFAT (Consul-General- Washington)
17	27 September 2006	DFAT (Consul-General- Washington)
18	30-31 January 2007	DFAT (Consul-General- Washington)
19	26 March 2007	DFAT (Consul-General- Washington)

Overseas Posts

(Question No. 5350)

Mr McClelland asked the Minister for Foreign Affairs, in writing, on 7 February 2007:

- (1) In which countries does Australia have a diplomatic mission and/or consulate office.
- (2) For each mission or consulate office identified in Part (1): (a) how many Australian staff does it employ; (b) how many locally-based staff does it employ; (c) are any locally-based staff engaged in making determinations on matters such as applications for migration, asylum or similar; if so, what are the details; and (d) what is the monthly payroll cost.

QUESTIONS IN WRITING

Mr Downer—The answer to the honourable member's question is as follows:

- (1) A summary of Australia's overseas network is provided at Appendix 12 of the Department of Foreign Affairs and Trade Annual Report 2005-06. The report is available on the department's website at www.dfat.gov.au.
- (2) (a) Due to security considerations, the department does not publish data on Australia-based staffing by post. Consistent with the department's Annual Report 2005-06 (Appendix 2, Table 23), the following table shows the number of Australia-based staff from the Department of Foreign Affairs and Trade at overseas posts by region at February 2007.

Region	Total
Europe	120
Middle East & Africa	67
New Zealand & South Pacific	63
North Asia	60
South & South East Asia	131
The Americas	74
Grand Total	515

- (b) The following table shows the number of locally engaged staff who are employed by the Department of Foreign Affairs and Trade at overseas posts at January 2007.

	Post	LES (Head Count)
1	Abuja	9
2	Abu Dhabi	8
3	Accra	6
4	Amman	9
5	Ankara	13
6	Apia	6
7	Athens	16
8	Baghdad	6
9	Bali	9
10	Bandar Seri Begawan	5
11	Bangkok	37
12	Beijing	42
13	Beirut	15
14	Belgrade	12
15	Berlin	19
16	Brasilia	10
17	Brussels	13
18	Budapest	9
19	Buenos Aires	10
20	Cairo	20
21	Canakkale	3
22	Chicago	3
23	Colombo	14
24	Copenhagen	6
25	Dhaka	12
26	Dili	19
27	Dublin	7
28	Geneva UN	3
29	Geneva WTO	16

	Post	LES (Head Count)
30	Guangzhou	19
31	Hanoi	19
32	Harare	7
33	Ho Chi Minh City	17
34	Holy See	1
35	Hong Kong	21
36	Honiara	12
37	Honolulu	4
38	Islamabad	17
39	Jakarta	92
40	Kabul	1
41	Kathmandu	6
42	Kuala Lumpur	29
43	Kuwait City	5
44	Lisbon	6
45	London	64
46	Los Angeles	7
47	Madrid	8
48	Manila	34
49	Malta	5
50	Mexico City	15
51	Moscow	27
52	Nairobi	10
53	New Delhi	47
54	New York CG	16
55	New York UN	8
56	Nicosia	6
57	Noumea	6
58	Nuku'alofa	7
59	Ottawa	9
60	Paris	34
61	Phnom Penh	24
62	Pohnpei	5
63	Port Louis	5
64	Port Moresby	59
65	Port of Spain	5
66	Port Vila	9
67	Pretoria	16
68	Rangoon	43
69	Riyadh	12
70	Rome	21
71	Santiago	13
72	Seoul	22
73	Shanghai	20
74	Singapore	29
75	Stockholm	7
76	Suva	12
77	Tarawa	8
78	Tehran	12

QUESTIONS IN WRITING

	Post	LES (Head Count)
79	Tel Aviv	9
80	The Hague	9
81	Tokyo	49
82	Vienna UN	17
83	Vientiane	20
84	Warsaw	12
85	Washington	75
86	Wellington	15
87	Zagreb	8
Total		1452

- (c) This is a matter for the Minister for Immigration and Citizenship.
- (d) For the period from 1 July to 31 December 2006, the total payroll cost for A-based staff at overseas posts was \$54,648,842. For the same period, the total payroll cost for locally engaged staff was \$31,529,755. Both of these costs include wages and salaries as well as other employee expenses such as superannuation and leave.

Iraq

(Question No. 5353)

Mr McClelland asked the Minister for Defence, in writing, on 7 February 2007:

- (1) For each year that Australia has engaged in military operations in Iraq, what has been the cost of Australia's total involvement, including army, navy and air operations.

Dr Nelson—The answer to the honourable member's question is as follows:

- (1) The net additional cost to Defence of Australia's total involvement for military operations in Iraq is:

	2002-03 Actuals	2003-04 Actuals	2004-05 Actuals	2005-06 Actuals	Total
	\$m	\$m	\$m	\$m	\$m
Total	285.3	240.6	284.9	351.4	1,162.2

Defence: Military Operations

(Question No. 5354)

Mr McClelland asked the Minister for Defence, in writing, on 7 February 2007:

- (1) For each year that Australia has engaged in military operations in (a) East Timor and (b) the Solomon Islands, what has been the cost of Australia's total involvement, including army, navy and air operations.

Dr Nelson—The answer to the honourable member's question is as follows:

- (1) The net additional cost to Defence of Australia's total involvement for military operations in East Timor and the Solomon Islands is:

	1999-00 Actuals	2000-01 Actuals	2001-02 Actuals	2002-03 Actuals	2003-04 Actuals	2004-05 Actuals	2005-06 Actuals	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	
Operations in East Timor	598.1	798.5	632.9	579.3	554.0	27.4	23.9	3,214.1
Operations in Solomon Islands	0.0	0.0	0.0	0.0	90.4	27.6	12.9	130.9

Disability Support Pension

(Question No. 5362)

Ms Owens asked the Minister representing the Minister for Human Services, in writing, on 7 February 2007:

- (1) In each of the years 2004, 2005 and 2006, how many people in (a) Australia, (b) NSW, (c) the federal electorate of Parramatta and (d) the postcode area (i) 2115, (ii) 2116, (iii) 2117, (iv) 2118, (v) 2142, (vi) 2145, (vii) 2146, (viii) 2147, (ix) 2148, (x) 2150, (xi) 2151, (xii) 2152 and (xiii) 2153 applied for the Disability Support Pension.
- (2) In each of the years 2004, 2005 and 2006, how many applications for the Disability Support Pension were rejected in (a) Australia, (b) NSW, (c) the federal electorate of Parramatta and (d) the postcode area (i) 2115, (ii) 2116, (iii) 2117, (iv) 2118, (v) 2142, (vi) 2145, (vii) 2146, (viii) 2147, (ix) 2148, (x) 2150, (xi) 2151, (xii) 2152, and (xiii) 2153.
- (3) In each of the years 2004, 2005 and 2006, how many recipients of the Disability Support Pension ceased receiving that pension in (a) Australia, (b) NSW, (c) the federal electorate of Parramatta and (d) the postcode area (i) 2115, (ii) 2116, (iii) 2117, (iv) 2118, (v) 2142, (vi) 2145, (vii) 2146, (viii) 2147, (ix) 2148, (x) 2150, (xi) 2151, (xii) 2152 and (xiii) 2153

Mr Brough—The Minister for Human Services has provided the following answer to the honourable member's question:

- (1) Number of people* who claimed Disability Support Pension

Calendar Year of the Disability Support Pension Claim			
Location**	2004	2005	2006
Australia	105,009	94,145	86,568
NSW	33,335	31,452	28,737
Electorate of Parramatta	693	628	591
Postcodes			
2115	47	46	35
2116	25	22	23
2117	92	86	73
2118	36	42	42
2142	143	125	131
2145	278	280	271
2146	77	56	71
2147	185	180	154
2148	318	305	244
2150	107	113	94
2151	84	74	72
2152	22	20	29
2153	112	101	104

* A person with multiple claims in any given calendar year is counted only once for that year. A person with claims in more than one calendar year is counted for each year the claims are made.

**Location is the person's most recent address details as at 16 February 2007.

(2) Number of people* that had claims rejected for Disability Support Pension

Calendar Year of the Rejected Disability Support Pension Claim			
Location**	2004	2005	2006
Australia	39,543	38,315	34,630
NSW	13,200	13,372	12,239
Electorate of Parramatta	311	265	218
Postcodes			
2115	24	23	<20
2116	< 20	<20	<20
2117	30	39	24
2118	<20	21	<20
2142	74	56	47
2145	128	128	101
2146	35	25	26
2147	92	76	61
2148	136	145	114
2150	47	45	41
2151	44	26	24
2152	<20	<20	<20
2153	40	47	42

* A person with multiple rejected claims in any given calendar year is counted only once for that year. A person with rejected claims in more than one calendar year is counted for each year the rejected claims are made.

**Location is the person's most recent address details as at 16 February 2007.

All cells that have a value of less than 20 have been changed to display <20. This includes cells that have a value of zero. This rule has been employed for privacy reasons.

(3) Number of people* that ceased receiving Disability Support Pension

Calendar Year Disability Support Pension ceased			
Location**	2004	2005	2006
Australia	56,281	55,322	58,237
NSW	17,683	17,812	18,351
Electorate of Parramatta	303	344	332
Postcodes			
2115	<20	20	32
2116	<20	<20	<20
2117	47	48	40
2118	<20	30	<20
2142	70	59	70
2145	141	181	151
2146	23	34	37
2147	89	87	79
2148	139	161	145
2150	52	38	41
2151	21	34	35
2152	<20	<20	<20
2153	60	63	61

* A person that ceased receiving DSP multiple times in any given calendar year is counted only once for that year. A person that ceased receiving DSP in more than one calendar year is counted for each year the DSP ceased.

**Location is the person's most recent address as at 16 February 2007.

All cells that have a value of less than 20 have been changed to display <20. This includes cells that have a value of zero. This rule has been employed for privacy reasons.

To prepare this answer it has taken approximately 26 hours and 11 minutes at an estimated cost of \$1,330.

Child Support Agency (Question No. 5363)

Ms Owens asked the Minister representing the Minister for Human Services, in writing, on 7 February 2007:

How many Child Support Agency clients currently reside in (a) New South Wales, (b) the federal electorate of Parramatta and (c) the postcode area (i) 2115, (ii) 2116, (iii) 2117, (iv) 2118, (v) 2142, (vi) 2145, (vii) 2146, (viii) 2147, (ix) 2148, (x) 2150, (xi) 2151, (xii) 2152, and (xiii) 2153.

Mr Brough—The Minister for Human Services has provided the following answer to the honourable member's question:

The following information is provided to answer the honourable member's question. All data relates to number of customers (total of parents who pay and/or receive child support) as at the end of June 2006. The data has been extracted from the Child Support Agency Customer Research Extract for June 2006.

Area	Number of customers
State of New South Wales	434,607
Electorate of Parramatta	6,418
Postcodes:	
2115	447
2116	234
2117	789
2118	536
2142	1,161
2145	3,149
2146	979
2147	2,209
2148	3,961
2150	1,076
2151	710
2152	319
2153	1,629

To prepare this answer it has taken approximately two hours and fifteen minutes at an estimated cost of \$125.

Defence Materiel Organisation: Funding (Question No. 5367)

Mr Fitzgibbon asked the Minister for Defence, in writing, on 7 February 2007:

Will he provide a list of all programs currently funded and administered by the Defence Materiel Organisation.

Dr Nelson—The answer to the honourable member's question is as follows:

Taking the question to refer to industry programs, the Defence Materiel Organisation currently funds and administers the Skilling Australia's Defence Industry Program, and the export facilitation program.

Child Care

(Question No. 5370)

Mr Murphy asked the Minister for Families, Community Services and Indigenous Affairs, in writing, on 7 February 2007:

Further to his reply to question No 3790 (*Hansard*, 27 November 2006, page 116) that his office has "...corresponded with the Ella Community Centre and provided information on funding available through FaCSIA programs to assist the service": (a) other than the ISS, which additional FaCSIA programs have been recommended to the centre; and (b) has his office, or the Department of Families, Community Services and Indigenous Affairs, received any further request for funding under additional FaCSIA programs; if so, what is the status of those requests.

Mr Brough—The answer to the honourable member's question is as follows:

The contact that my office has had with the Ella Community Centre was to provide information about the Child Care Support Program.

Television Sports Broadcasts

(Question No. 5371)

Mr Georganas asked the Minister representing the Minister for Communications, Information Technology and the Arts, in writing, on 8 February 2007:

Having stated that the anti-siphoning list protects events of national importance and cultural significance, can the Minister explain to South Australian fans of Australian Rules football why games involving their State Australian Football League teams, Port Power and the Adelaide Crows, may not be screened on free-to-air television.

Mr McGauran—The Minister for Communications, Information Technology and the Arts has provided the following answer to the honourable member's question:

All Adelaide Crows and Port Power home and away will be broadcast on free-to-air television stations in South Australia either live or on delay.

Welfare to Work

(Question No. 5372)

Ms George asked the Minister representing the Minister for Human Services, in writing, on 8 February 2007:

For each type of welfare benefit paid by his department, will the Minister advise the number of people in the federal electorate of Throsby who have had their benefit cut for 8 weeks under the new Welfare to Work provisions.

Mr Brough—The Minister for Human Services has provided the following answer to the honourable member's question:

An eight-week non-payment period applies to job seekers who fail to comply with their participation requirements three or more times in a 12 month period. Job seekers who: refuse a job offer; are dismissed from employment due to misconduct; leave a job voluntarily or fail to commence; complete, participate in or comply with the conditions of a full time work for the dole program, could also be subject to an eight-week non-payment period.

(Centrelink does not collect eight-week non-payment period data by federal electorates. However, Centrelink can identify data by Centrelink Customer Service Centres that fall within a federal electorate. A Customer Service Centre may service job seekers from multiple federal electorates. Allowing for this, as at 16 February 2007, 33¹ eight-week non-payment periods have been applied to job seekers serviced by Centrelink Customer Service Centres that are located within the federal electorate of Throsby.)

¹ Data Sourced from Centrelink Management Information: Welfare to Work Report R28TWKB-20070216.

To prepare this answer it has taken approximately 3 hours and 16 minutes at an estimated cost of \$185.

Throsby Electorate: Programs

(Question No. 5373)

Ms George asked the Prime Minister, in writing, on 8 February 2007:

- (1) In respect of the federal electorate of Throsby, will the Minister provide details of the programs administered by his/her department and relevant agencies under which community organisations, businesses or individuals can apply for funding.
- (2) In respect of each Commonwealth-funded program identified in Part (1), (a) what sum was allocated, in total, to eligible participants in the federal electorate of Throsby in (i) 2005 and (ii) 2006; (b) what is the name and address of each of the funding recipients and (c) what sum was allocated to each of them in (i) 2005 and (ii) 2006.

Mr Howard—The answer to the honourable member's question is as follows:

- (1) The role of my department and portfolio agencies is to provide a range of services for public administration. As such, the department and agencies generally do not administer programmes, under which community organisations, businesses or individuals can apply for funding.
- (2) I am advised that neither my department nor portfolio agencies have provided programme funding in the electorate of Throsby in 2005 and 2006.

Families, Community Services and Indigenous Affairs: Programs

(Question No. 5382)

Ms George asked the Minister for Families, Community Services and Indigenous Affairs, in writing, on 8 February 2007:

- (1) In respect of the federal electorate of Throsby, will the Minister provide details of the programs administered by his/her department and relevant agencies under which community organisations, businesses or individuals can apply for funding.
- (2) In respect of each Commonwealth-funded program identified in Part (1), (a) what sum was allocated, in total, to eligible participants in the federal electorate of Throsby in (i) 2005 and (ii) 2006; (b) what is the name and address of each of the funding recipients and (c) what sum was allocated to each of them in (i) 2005 and (ii) 2006.

Mr Brough—The answer to the honourable member's question is as follows:

The Department of Families, Community Services and Indigenous Affairs administers a wide variety of programs to assist communities, many of which are routinely advertised and have quite comprehensive eligibility guidelines.

I consider that the preparation of answers to these questions placed on notice would involve a significant diversion of resources and, in the circumstances, I do not consider that the additional work can be justified.

Extensive information is publicly available at www.FaCSIA.gov.au and in the departments Annual Reports.

Special Broadcasting Service**(Question No. 5387)**

Mr Murphy asked the Minister representing the Minister for Communications, Information Technology and the Arts, in writing, on 8 February 2007:

- (1) Has the Minister read an article by Errol Simper titled “Kostakidis opposes SBS ads”, which appeared in *The Australian* on 29 June 2006; if not, why not.
- (2) In respect of the part of the report that quoted Mary Kostakidis, SBS television’s main newscaster and former member of SBS management, that “...in-program advertising means the SBS viewing experience is obviously going to change dramatically [and] there’s no doubt there’ll be commercial imperatives to make advertising slots increasingly lucrative...”, will the Minister explain how allowing in-program advertising will safeguard multilingual and multicultural broadcasts which reflect Australia’s multicultural society; if not, why not.
- (3) Will the Minister ensure that commercial imperatives, driven by increased advertising, will not result in a reduction in multilingual and multicultural SBS content which reflects Australia’s multicultural society; if so, how; if not, why not.

Mr McGauran—The Minister for Communications, Information Technology and the Arts has provided the following answer to the honourable member’s question:

- (1) The Minister is aware of the article.
- (2) Under the Special Broadcasting Service Act 1991, it is the responsibility of the SBS Board to ensure that SBS acts in accordance with its Charter responsibilities.

The Government notes that the SBS Board has directed management “to ensure the new regime is constructed so as to preserve the SBS viewing experience and be consistent with SBS’s Act and Charter”. The Board is also required to develop and publicise guidelines in relation to advertising and to include them in SBS’s Corporate Plan, explaining how this will contribute to the achievement of SBS’s objectives.

- (3) The Government has maintained the five minute cap on commercial advertising introduced by the previous Labor Government. As such, the Government does not anticipate any reduction in multilingual and multicultural SBS content. Internal SBS programming decisions are the responsibility of the SBS Board and Executive.

Special Broadcasting Service**(Question No. 5388)**

Mr Murphy asked the Minister representing the Minister for Communications, Information Technology and the Arts, in writing, on 8 February 2007:

- (1) Can the Minister confirm that the Special Broadcasting Service Act 1991 contains a charter that describes the function of the SBS as providing “multilingual and multicultural radio and television services that inform, educate and entertain all Australians, and in doing so, reflect Australia’s multicultural society”; if not, why not.
- (2) Can the Minister ensure that SBS management is unable to pursue commercial imperatives to increase ratings, and through it advertising revenue, at the expense of niche programming which is multilingual and multicultural; if not, why not.

Mr McGauran—The Minister for Communications, Information Technology and the Arts has provided the following answer to the honourable member’s question:

- (1) Yes.

- (2) The Government provides an overall level of funding for the SBS, but has no power to direct the SBS in relation to programming matters. Internal SBS programming decisions are the responsibility of the SBS Board and Executive.

Special Broadcasting Service

(Question No. 5389)

Mr Murphy asked the Minister representing the Minister for Communications, Information Technology and the Arts, in writing, on 8 February 2007:

Can the Minister confirm that the SBS Charter within the Special Broadcasting Service Act 1991 does not impose duties on the SBS which are enforceable by proceedings in a court; if so, (a) will the Minister explain how compliance of SBS management with the terms of the SBS Charter is enforced and (b) will the Government amend the Special Broadcasting Service Act 1991 to allow proceedings to be brought in a court to enforce the SBS Charter; if not, why not.

Mr McGauran—The Minister for Communications, Information Technology and the Arts has provided the following answer to the honourable member's question:

- (1) Section 6 of the Special Broadcasting Service Act 1991 provides for the SBS Charter. Section 6(4) provides that 'nothing in this section imposes on the SBS a duty that is enforceable by proceedings in a court.'
- (a) It is the responsibility of the SBS Board under Section 9 of the SBS Act to ensure SBS performs its functions (The Charter) 'in a proper, efficient and economical manner'. The SBS is subject to a range of accountability and governance measures to monitor its performance and compliance with the terms of its legislation and Charter. These measures include preparation of Corporate Plans, Annual Reports, Budget Statements, and appearances before Parliamentary Committees such as Senate Legislative Estimates Committees.
- (b) No.

East Timor

(Question No. 5390)

Mr Wilkie asked the Minister for Foreign Affairs, in writing, on 8 February 2007:

In respect of (a) the treaty for Certain Maritime Arrangements in the Timor Sea (CMATS), which he and the Prime Minister signed, together with their Timor-Leste counterparts, on 12 January 2006; (b) his press release of the same day, in which he stated that: "I will place this treaty and its associated side letters before Parliament in due course in conformity with Australia's treaty process"; (c) the widespread disquiet being expressed by many in the Timor-Leste Government about the maritime boundaries and the revenue sharing aspects of the treaty; (d) the urgent need to provide stability and certainty to the Timor-Leste people and Australian business interests; and (e) the fact that the Timor-Leste Government would not be able to ratify the treaty for some months following the calling of the Timor-Leste elections; (i) why did he delay the tabling of this treaty in the Parliament for over a year, considering the urgent timelines involved; (ii) can he confirm the accuracy of the report in The Australian that stated that he intended to invoke the National Interest Exemption clause to fast-track the treaty; (iii) if so, on what basis did he plan to seek an exemption, when it would have been possible for the Parliament to follow proper treaty review practice if the treaty had been tabled in a timely fashion; and (iv) can he confirm that the late tabling of the treaty has delayed its consideration by Timor-Leste until after that country's Presidential and Parliamentary elections.

Mr Downer—The answer to the honourable member's question is as follows:

The Australian Government tabled in Parliament on 6 February 2007 the Certain Maritime Arrangements in the Timor Sea (CMATS) Treaty with East Timor, in a timeframe and process agreed with the

East Timor Government. The Government formally exchanged notes with East Timor to bring CMATS and the International Unitisation Agreement for Greater Sunrise into force on 23 February 2007. I invoked the national interest exemption in order to bring CMATS into force before the usual period that treaties lie before Parliament expired. I wrote to Dr Andrew Southcott MP, Chair of the Joint Standing Committee on Treaties, on 22 February 2007 to explain my reasons for invoking the national interest exemption for CMATS. My letter of 22 February 2007 was tabled in Parliament on 20 March 2007.

Australian Parliamentary Delegations

(Question No. 5394)

Mr McClelland asked the Minister for Foreign Affairs, in writing, on 12 February 2007:

- (1) On what date did an Australian Parliamentary delegation most recently visit (a) China, (b) India, (c) Indonesia and (d) Japan.
- (2) On what date did a Parliamentary delegation from each of the countries listed in Part (1) most recently visit Australia.
- (3) In view of the growing importance to Australia of each of the countries listed in Part (1), and bearing in mind their large populations, will the Government consider sending an Australian Parliamentary delegation to each of those countries in the near future and invite a delegation from each of those countries to Australia.

Mr Downer—The answer to the honourable member's question is as follows:

The Parliamentary Relations Office (PRO) at Parliament House manages the program of official outgoing and incoming parliamentary delegation visits. The PRO has provided the following information:

- (1) (a) An Australian parliamentary delegation, led by the Speaker of the House of Representatives, visited China from 7 to 15 April 2005.
- (b) An Australian parliamentary delegation visited India from 21 to 26 January 2003 to mark the Golden Jubilee of the Indian Parliament.
- (c) An Australian parliamentary delegation visited Indonesia from 15 to 22 September 2006.
- (d) An Australian parliamentary delegation, led by the Speaker of the House of Representatives, visited Japan from 17 to 23 April 2006.
- (2) (a) A delegation of members of the National People's Congress of the People's Republic of China visited Australia in November 2006.
An official delegation led by HE Mr Wu Bangguo, Chairman of the Standing Committee of the National People's Congress, visited Australia in May 2005. The visit was at the invitation of the Presiding Officers and was granted guest of government status.
- (b) A delegation of parliamentarians from India visited in May 2001.
- (c) A delegation from the Indonesian House of Representatives visited Australia in December 2006. An official Indonesian parliamentary delegation visited Australia in December 2003.
- (d) A delegation of Japanese parliamentarians visited Australia in February 2007. An official Japanese parliamentary delegation visited Australia in December 1998.
- (3) An Australian parliamentary delegation is scheduled to visit China in July 2007 and Indonesia in August 2007, as part of the Australian Parliament's outgoing delegations programme.

An invitation for a parliamentary delegation from China to visit Australia was issued by the Presiding Officers in 2005 and delivered to the National People's Congress by the Speaker during the Australian parliamentary delegation's visit to China in April 2005. The National People's Congress has expressed interest in taking up the invitation for a visit at the end of May 2007 and the Austra-

lian Parliament's Parliamentary Relations Office is awaiting confirmation from the Chinese that the visit will be proceeding.

An invitation for a parliamentary delegation from Indonesia was renewed by the Presiding Officers in September 2006. The renewed invitation was delivered to the Indonesian Parliament by the Australian parliamentary delegation that visited Indonesia in September 2006. The Indonesian Parliament has expressed an interest in sending an official delegation to Australia in 2007 and is considering the most suitable dates for a visit.

As parliamentary visits are arranged on a reciprocal basis, it is the turn of parliamentary delegations from India and Japan to visit Australia. Invitations for such visits have been issued and negotiations continue with the Indian and Japanese Parliaments on their availability to send delegations to Australia.

Newstart Allowance
(Question No. 5397)

Mr Georganas asked the Minister representing the Minister for Human Services, in writing, on 12 February 2007:

- (1) Under what circumstances are Centrelink staff required to reject medical certificates that confirm a Newstart recipient's inability to work, or look for work.
- (2) What medical qualifications do Centrelink staff hold to inform their rejection of medical certificates.
- (3) Does the rejection of medical certificates potentially expose Centrelink to legal repercussions if the rejection encourages a sick client to undertake activity that causes harm to the client or others.

Mr Brough—The Minister for Human Services has provided the following answer to the honourable member's question:

- (1) Centrelink staff do not 'reject' medical certificates lodged by Newstart Allowance recipients. Centrelink may accept the treating doctor's assessment that the person is temporarily incapacitated for all work, but may decide not to grant a temporary incapacity exemption because the person has been assessed as having capacity to participate in another suitable activity (such as the Personal Support Programme or Job Network).
- (2) Centrelink staff who assess medical certificates lodged by Newstart Allowance recipients are required to have appropriate expertise in:
 - relevant parts of the Social Security Law;
 - relevant policy guidelines, including the Guide to Social Security Law;
 - determining what medical evidence (and other specialist evidence) is required by the Social Security Law and relevant policy in order to make a decision about an incapacity exemption;
 - interpreting available medical evidence and specialist assessments such as Job Capacity Assessments; and
 - brokering solutions that assist people towards participation.
- (3) No legal liability should arise where Centrelink has acted reasonably and in accordance with the Social Security Law.

To prepare this answer it has taken approximately 5 hours and 31 minutes at an estimated cost of \$297.

Television Sports Broadcasts**(Question No. 5398)**

Mr Georganas asked the Minister representing the Minister for Communications, Information Technology and the Arts, in writing, on 12 February 2007:

Having stated that the anti-siphoning list protects events of national importance and cultural significance, can the Minister explain to Australian soccer fans why games involving their international soccer team, the Socceroos, may not be screened on free-to-air television.

Mr McGauran—The Minister for Communications, Information Technology and the Arts has provided the following answer to the honourable member's question:

In relation to soccer, the anti-siphoning list includes the English FA Cup Final and the 2010 FIFA World Cup finals tournament, including any matches in that tournament involving the Socceroos.

SBS has already acquired exclusive free-to-air (FTA) television rights to the 2007 and 2008 English FA Cup Finals and the 2010 and 2014 FIFA World Cups, along with a number of FIFA competitions, including the FIFA Confederations Cup and the FIFA Women's World Cup. The latter follows SBS' successful coverage of the 2006 FIFA World Cup.

In April 2006, the Football Federation Australia (FFA) announced a seven year, \$150 million deal with Fox Sports involving subscription television coverage of all Socceroos home matches, the A-league domestic club competition, the Asian Confederation's Champions League, the 2007 and 2011 Asian Cup tournaments, Asian Cup Qualifiers and selected World Cup qualification matches in 2008 and 2009.

None of the events covered by the FFA/Fox Sports deal are on the anti-siphoning list, and in the past FTA coverage of Socceroos games has been inconsistent. The FFA has indicated that securing the long term security and stability of the game in Australia had been one of its primary objectives in entering into the deal with Fox Sports and that the funds obtained from the sale of the rights will be used to make substantial investments in national teams, in the national domestic competition and in the grassroots development of the game.

Fuel Costs**(Question No. 5399)**

Mr Georganas asked the Treasurer, in writing, on 12 February 2007:

What was the disparity between the price of crude oil and the retail price paid by Australia consumers that resulted in Mr Graeme Samuel's public call for the retail price of unleaded petrol to be reduced by 10 cents on 16 January 2007; and what price reduction was evident in the period immediately subsequent to 16 January that could not be attributable to any further decrease in the price of crude oil.

Mr Costello—The answer to the honourable member's question is as follows:

Mr Samuel's comments on 16 January 2007 regarding domestic petrol prices primarily related to the relationship between the price of petrol in Australia and the international benchmark petrol price for Singapore 95 unleaded, not the international price of crude oil as asserted in the question. Notwithstanding that, Mr Samuel observed that at that time, the movement in domestic petrol prices was not quite in correlation with movements in the international benchmark petrol price for Singapore 95 unleaded petrol. On 24 January 2007, the ACCC announced that domestic prices had moved back in line with the international benchmark, and noted that if a marked disparity occurred again, allowing for the time lag, it would comment publicly.

Parliamentarians' Entitlements**(Question No. 5403)**

Mr Martin Ferguson asked the Special Minister of State, in writing, on 12 February 2007: Further to his response to question No. 4336 (Hansard, 7 February 2007, page 143) concerning the expenditure by Members of the House of Representatives on personalised stationery and newsletters for the calendar year 2006, what was the average sum spent on personalised stationery and newsletters by (a) all Members, (b) Government Members, (c) Opposition Members and (d) Independent and minor party Members.

Mr Nairn—The answer to the honourable member's question is as follows:

All Members	\$79,856.53
Government Members	\$88,989.52
Opposition Members	\$69,147.18
Independent Members	\$29,186.82

Travel Entitlements**(Question No. 5404)**

Mr Martin Ferguson asked the Special Minister of State, in writing, on 12 February 2007:

- (1) In respect of the 6-monthly publication of the summary of travel entitlements of former Prime Ministers, Other Life Gold Pass Holders, widows of former Prime Ministers and Widows of Other Life Gold Pass Holders, why does the publication not include the destination to which the identified persons travelled.
- (2) In view of past fraud concerns relating to the misuse of travel entitlements by Members and Senators, why did the Government waive the requirement for Members and Senators to submit travel declarations in cases where Travel Allowance is not claimed.

Mr Nairn—The answer to the honourable member's question is as follows.

- (1) As explained in the preamble to each document, while the tabled information comprises summary information, the supporting information, which is too bulky to be tabled, is available on written request to the Office of the Special Minister of State.
- (2) The Department of Finance and Administration's circular No 2007/04 of 17 January 2007, to all Senators and Members, advised that the requirement to submit Travel Declarations when Travelling Allowance is not claimed was introduced prior to the implementation of tabling of all Parliamentarians' travel costs and the certification of monthly management reports. Both these measures provide for greater transparency and accountability of travel entitlements than was achieved by the submission of Travel Declarations when Travelling Allowance was not claimed.

Special Broadcasting Service**(Question No. 5405)**

Mr Murphy asked the Minister representing the Minister for Communications, Information Technology and the Arts, in writing, on 12 February 2007:

- (1) Can the Minister advise the annual Commonwealth funding received by the SBS in the financial year (a) 2002-2003, (b) 2003-2004, (c) 2004-2005 and (d) 2005-2006; if not why not.
- (2) Will the Minister ensure that annual government funding of the SBS will not be reduced in proportion to any extra revenue the station raises from advertising; if not, why not.

Mr McGauran—The Minister for Communications, Information Technology and the Arts has provided the following answer to the honourable member's question:

- (1) See SBS Annual Report.
- (2) The Government has no intention of reducing SBS's funding as a result of the decision by SBS to change the scheduling of its advertising.

Nuclear Energy
(Question No. 5406)

Mr Murphy asked the Minister for the Environment and Water Resources, in writing, on 12 February 2007:

- (1) Can he advise how spent uranium from nuclear power stations can be safely stored; if not, why not.
- (2) Can he advise (a) which nations have successfully placed their nuclear waste in secure storage, (b) how such nuclear waste is securely transported to its final destination and (c) in which nations is nuclear waste securely stored.

Mr Turnbull—The answer to the honourable member's question is as follows:

- (1) Following removal from the reactor and initial storage in cooling ponds, three main options are available for management of spent nuclear fuel:
 - Dry storage of spent fuel in secure casks, either on the reactor site or at centralised storage facilities;
 - Conditioning of spent fuel for direct disposal in deep geological repositories; or
 - Reprocessing of spent fuel to recover uranium and/or plutonium for re-use as nuclear fuel, with fission products and other transuranics conditioned for long-term storage or disposal in deep geological repositories. (Transuranics are radioactive elements with atomic numbers greater than uranium -92 - produced in reactors and extremely rare or non existent in nature).
- (2) (a) The Department of Education, Science and Training has provided the following information:

Countries that use or have used nuclear power, as well as Taiwan, currently store their nuclear waste: Argentina, Armenia, Belgium, Brazil, Bulgaria, Canada, China, Czech Republic, Finland, France, Germany, Hungary, India, Italy, Japan, Kazakhstan, South Korea, Lithuania, Mexico, Netherlands, Pakistan, Romania, Russia, Slovakia, Slovenia, South Africa, Spain, Sweden, Switzerland, Ukraine, United Kingdom and the United States.

Finland, Sweden and the United States are well advanced in the development of deep geological facilities for disposal of spent nuclear fuel. Construction of repositories in Finland and Sweden is expected to commence by 2010, subject to regulatory approvals.
- (b) Transport of any radioactive material, including nuclear waste, is in accordance with the following regulations and conventions:
 - Regulations for the Safe Transport of Radioactive Material 2005 Edition Safety Requirements (IAEA Safety Standards Series No. TS-R-1)
 - Convention on the Physical Protection of Nuclear Material
 - Joint Convention on the Safety of Spent Fuel Management and on the Safety of Radioactive Waste Management.
- (c) Refer (2) (a) above

Sydney (Kingsford Smith) Airport
(Question No. 5410)

Mr McClelland asked the Treasurer, in writing, on 13 February 2007:

- (1) Is he aware that a large number of Qantas employees who work at, or operate from, Sydney (Kingsford Smith) Airport live in the southern suburbs of Sydney.
- (2) Is he aware of concerns among residents of southern Sydney (particularly in those municipalities adjacent to the airport) about the potential adverse economic consequences, including job losses, of the proposed Macquarie Bank-led takeover of Qantas; if so, will he bring this concern to the attention of the Foreign Investment Review Board and ask the Board to consider the economic impact of the proposed takeover on municipalities in southern Sydney.
- (3) Can the Foreign Investment Review Board impose conditions on the bid that will protect the full-time and casual jobs of all Qantas employees and of employees of any related Qantas company.

Mr Costello—The answer to the honourable member's question is as follows:

- (1) Yes.
- (2) The Foreign Investment Review Board considered all relevant aspects of the proposal in its advice to me as the Treasurer.
- (3) Under the Foreign Acquisitions and Takeovers Act 1975 the Treasurer is responsible for decisions on foreign investment proposals. The Board as an advisory body does not impose conditions on foreign investment proposals. I also refer the Member to my Press Release No.009 of 6 March 2007 concerning the Qantas proposal, including the Deed of Undertaking provided by Airline Partners Australia.

E-coli Infections
(Question No. 5414)

Mr Georganas asked the Minister for Health and Ageing, in writing, on 13 February 2007:

Can he provide assurance that the current outbreak of e-coli in South Australia is not linked to the lower health, safety and quality standards of overseas-grown foods imported for the Australian consumer market; if not, why not.

Mr Abbott—The answer to the honourable member's question is as follows:

There is no evidence that the outbreak of *E. coli* infections in South Australia, during the months of January and February 2007, was related to imported foods.

Extensive investigations by the South Australian Department of Health have not identified any association between the *E. coli* infections and a specific imported or domestically produced food. Furthermore, OzFoodNet, Australia's national system for foodborne illness surveillance and investigation, has not shown any increase in the number of illnesses associated with imported produce.

All locally produced and imported food must satisfy the requirements of the Australia New Zealand Food Standards Code, regarding a range of chemical and microbiological contaminants. Any food found to contain illegal levels of these contaminants is not permitted for sale.

Since 1997, testing of imported fruit and vegetables by the Australian Quarantine and Inspection Service (AQIS) has shown a high level of compliance with the requirements of the Food Standards Code.

Australian Defence Medal**(Question No. 5415)**

Mr Georganas asked the Minister Assisting the Minister for Defence, in writing, on 13 February 2007:

Can the posthumous award of the Australian Defence Medal be granted to applicants who do not hold (a) a certified true copy of the Last Will and Testament of the medal recipient or (b) a letter from a solicitor legally establishing the applicant as the medal recipient's sole beneficiary; if not, will the government consider establishing guidelines whereby posthumous awards may be issued without these documents.

Mr Billson—The answer to the honourable member's question is as follows:

- (a) Yes.
- (b) Yes.

The Guidelines for the posthumous issue of medals have been revised to enable the issue of medals without the documents referred in the honourable member's question. If the applicant is the holder of previous awards and records demonstrate this, the medal is awarded posthumously to the ex-Australian Defence Force member and issued to the applicant. If the applicant is the holder of previous awards and the records do not demonstrate this, the applicant can provide a statutory declaration witnessed by a Justice of the Peace or another relevant signatory stating they have sighted the medal or medal group. If the applicant cannot satisfy these requirements, or provide a certified true copy of the Last Will and Testament of the medal recipient or a letter from a solicitor legally establishing the applicant as the medal recipient's sole beneficiary, the minimum requirement is either proof from the relevant State Birth Death and Marriages office that they are the sole surviving family descendant; or statutory declarations from other family members stating that the applicant is authorised to receive the entitlement.

Sydney (Kingsford Smith) Airport**(Question No. 5416)**

Mr Murphy asked the Minister representing the Minister for Justice and Customs, in writing, on 13 February 2007:

Why, on 23 October 2004, was a CCTV camera in the baggage make-up area at Sydney Airport found to have no focus.

Mr Ruddock—The Minister for Justice and Customs has provided the following answer to the honourable member's question:

Refer to answers to Questions on Notice 3391, 3831 and 3870. There is nothing further to add.

Sydney (Kingsford Smith) Airport**(Question No. 5417)**

Mr Murphy asked the Minister representing the Minister for Justice and Customs, in writing, on 13 February 2007:

Why, on 26 January 2005, was a CCTV camera in the baggage make-up area at Sydney International Airport found to be facing a wall.

Mr Ruddock—The Minister for Justice and Customs has provided the following answer to the honourable member's question:

Refer to answers to Questions on Notice 3391, 3870 and 3872. There is nothing further to add.

Sydney (Kingsford Smith) Airport**(Question No. 5418)**

Mr Murphy asked the Minister representing the Minister for Justice and Customs, in writing, on 13 February 2007:

Why, on 30 January 2005, was a CCTV camera in the baggage make-up area at Sydney International Airport found to be facing a wall.

Mr Ruddock—The Minister for Justice and Customs has provided the following answer to the honourable member's question:

Refer to answers to Questions on Notice 3391, 3870 and 3873. There is nothing further to add.

Passports**(Question No. 5424)**

Mr Byrne asked the Minister for Foreign Affairs, in writing, on 14 February 2007:

- (1) How many Australian (a) diplomatic, (b) official and (c) ordinary passports are currently (i) valid or (ii) recorded as missing or stolen.
- (2) What proportion of Australian (a) diplomatic, (b) official and (c) ordinary passports are issued (i) locally and (ii) overseas.
- (3) How many Australian (a) diplomatic, (b) official and (c) ordinary passports issued locally were recorded as missing or stolen in (i) 1997, (ii) 1998, (iii) 1999, (iv) 2000, (v) 2001, (vi) 2002, (vii) 2003, (viii) 2004, (ix) 2005 and (x) 2006.
- (4) How many Australian (a) diplomatic, (b) official and (c) ordinary passports issued overseas were recorded missing or stolen in 2006.
- (5) Since 1 January, 2004, how many departmental staff have been found to have breached the Australian Public Service (APS) Code of Conduct in respect of passport security, and for each case identified, (a) what action was taken and (b) which sections of the APS Code of Conduct were breached.
- (6) Since 1 January, 2004, have any (a) Australia Post employees, (b) departmental staff or (c) locally engaged staff been found to be involved in passport fraud.
- (7) In respect of the two reported instances between 1 January 2003 and 5 October 2005 in which Australia Post Employees were found to be involved in passport fraud, (a) what was the nature of the fraudulent activity, (b) what action was taken and (c) were passports recovered: if so, how many.

Mr Downer—The answer to the honourable member's question is as follows:

- (1) (i) According to passport records (as at 14 February 2007), the numbers of current valid passports are as follows:
 - (a) Diplomatic 2,739
 - (b) Official 66,212
 - (c) Ordinary 8,763,438
- (ii) The numbers of passports lost by, or stolen from, the bearers are listed below. All of these passports have been cancelled in the system and are no longer valid for travel.
 - (a) Diplomatic 107
 - (b) Official 1,161
 - (c) Ordinary 158,637
- (2) The proportion of passports issued in Australia and overseas in F/Y 2005/2006 are as follows:
 - (a) Diplomatic (i) Local 832 (76.8%) (ii) Overseas 252 (23.2%)

(b) Official (i) Local 10,798 (99.4%) (ii) Overseas 64 (0.6%)

(c) Ordinary (i) Local 1,131,588 (95.0%) (ii) Overseas 59,332 (5.0%)

- (3) The numbers of passports issued in Australia and subsequently reported lost by, or stolen from, the bearers in the years 1997 to 2006 are listed below. All of these passports have been cancelled in the system and are no longer valid for travel.

Issued Locally – Numbers Lost/Stolen

	Diplomatic	Official	Ordinary
1997	17	54	15688
1998	7	69	17976
1999	16	132	19554
2000	11	106	22979
2001	14	123	24233
2002	11	257	23530
2003	16	257	22785
2004	5	208	27399
2005	12	224	28484
2006	8	216	27121

- (4) The numbers of Australian passports issued overseas and subsequently reported lost by, or stolen from, the bearers in 2006 are listed below. All of these passports have been cancelled in the system and are no longer valid for travel.

Issued Overseas – Numbers Lost/Stolen

	Diplomatic	Official	Ordinary
2006	5	1	1300

- (5) Yes one DFAT staff member since 1 January 2004.
- (a) Disciplinary action was taken under the Public Service Act resulting in a reduction in classification and reprimand.
- (b) Sub-section 13(2) ... dealing with care and diligence by APS staff and Sub-section 13(11) ... dealing with the integrity and good reputation of the APS.
- (6) (a) Yes, see answer to part (7).
- (b) No.
- (c) No.
- (7) (a) In both cases - making false statements.
- (b) In both cases defendants were prosecuted for the offences against the Passports Act 1938.
- (c) Not applicable.

Infant Sleep Programs

(Question No. 5433)

Ms Macklin asked the Minister for Health and Ageing, in writing, on 14 February 2007:

Does the Minister's department provide any funding for baby or infant sleep programs; if so, (a) what are those programs, (b) by whom are they delivered, (c) under which Budget output group and program line are they funded and (d) what funding amount is committed to these programs (i) in the current budget year and (ii) across the forward estimates period.

Mr Abbott—The answer to the honourable member's question is as follows:

My department does not provide any funding for baby or infant sleep programs.

Sydney (Kingsford Smith) Airport**(Question No. 5437)**

Mr Murphy asked the Minister for Transport and Regional Services, in writing, on 14 February 2007:

- (1) Has he read an editorial titled “Too many early arrivals”, which appeared in the *Sydney Morning Herald* on 21 June 2006; if not, why not.
- (2) Can he confirm that part of the editorial that said “...commercial pressure is starting to build to break down regulation and increase the operation’s profitability”; if not, why not.
- (3) Has he, or the Department of Transport and Regional Services, received any request from Sydney Airport Corporation Limited, or any other organisation, to amend Sydney Airport curfew restrictions; if so, (a) who made the representation(s), (b) to whom were the representations made, (c) what was the full nature of each representation, (d) when was each representation made, and (e) what was his, or the department’s, response to each representation.
- (4) Will he rule out shortening the Sydney Airport curfew hours of 11 p.m. to 6 a.m. today or at any point in the future; if not, why not.

Mr Vaile—The answer to the honourable member’s question is as follows:

- (1) Yes.
- (2) Yes.
- (3) No such representations have been received by my Office or the Department of Transport and Regional Services.
- (4) Yes. The Government will not reduce the curfew hours legislated in the Sydney Airport Curfew Act 1995.

Governor-General**(Question No. 5440)**

Mr Melham asked the Prime Minister, in writing, on 15 February 2007:

What was the total cost of the recent upgrading of the Governor-General’s website.

Mr Howard—I am advised by the Official Secretary to the Governor-General that the cost of the recent upgrade of the Governor-General’s website was \$13,010.

Prime Minister and Cabinet: Contractors**(Question No. 5441)**

Mr Melham asked the Prime Minister, in writing, on 15 February 2007:

What is the nature and cost of the services provided under contract to the Office of National Assessments by (a) Professor Roy Macleod, (b) Slaidburn Pty Ltd, (c) Tjurunga Pty Ltd, (d) Icognition Pty Ltd, (e) Austthink Consulting Pty Ltd and (f) Mr Martin Brady.

Mr Howard—I am advised that the answer to the honourable member’s question is as follows:

- (a) Professor Roy McLeod has been paid \$22,325 in 2006-07 as at 14 March 2007 for reports on international strategic issues as specified by the Director General of ONA.
- (b) Slaidburn Pty Ltd has been paid \$99,000 in 2006-07 as at 14 March 2007 (2005-06: \$148,500) for reports on political and strategic issues relating to India, Pakistan and Afghanistan, and other requirements as specified by the Director General of ONA.

- (c) Tjurunga Pty Ltd has been paid \$99,700 in 2006-07 as at 14 March 2007 (2005-06: \$131,560) for reports on international strategic and environmental issues relating to South Asia, the Indian Ocean and other requirements as specified by the Director General of ONA.
- (d) Icognition Pty Ltd has been paid \$47,940 in 2006-07 as at 14 March 2007 (2005-06: \$60,857) for the design and implementation of an electronic system to provide better accountability of the movements of ONA reports.
- (e) Austthink Consulting Pty Ltd has been paid \$12,727 in 2006-07 as at 14 March 2007 (2005-06: \$28,019) for Argument Mapping training services.
- (f) Mr Martin Brady was paid \$36,225 in 2005-06 for a review of ONA's management, coordination and evaluation of the activities of Australia's foreign intelligence agencies.

National Emergency Protocol

(Question No. 5442)

Mr Melham asked the Prime Minister, in writing, on 15 February 2007:

What arrangements have been put in place to ensure the effective implementation of the National Emergency Protocol agreed at the September 2005 meeting of the Council of Australian Governments.

Mr Howard—I am advised that the answer to the honourable member's question is as follows:

The National Emergency Protocol (NEP) was endorsed by the Council of Australian Governments on 10 February 2006, and the following actions have been undertaken to support its implementation:

- on behalf of the Department of the Prime Minister and Cabinet, the Protective Security Coordination Centre of the Attorney-General's Department has developed a database of relevant contact details to enable communications between the Prime Minister, First Ministers, the President of Australian Local Government Association, their senior officials and offices;
- the government committed \$13.9 million over four years in the 2005-06 Budget for the establishment of the National Emergency Call Centre, with implementation activities on track for a 1 July 2007 start date; and
- a supporting national emergency plan is being developed under the auspices of the Ministerial Council for Police and Emergency Management.

National Security

(Question No. 5444)

Mr Melham asked the Prime Minister, in writing, on 15 February 2007:

- (1) What progress has been made in implementing the September 2005 decision of the Council of Australian Governments to develop a national Chemical, Biological, Radiological and Nuclear security strategy.
- (2) What specific measures have been put in place to implement the various elements—chemical, biological, radiological and nuclear—of this security strategy.

Mr Howard—I am advised that the answer to the honourable member's question is as follows:

- (1) Since the decision by the Council of Australian Governments to develop a national Chemical, Biological, Radiological and Nuclear security strategy the Australian Government has been working with its state and territory counterparts in drafting the strategy. The strategy is scheduled to be considered by COAG at its next meeting.

- (2) Specific measures to implement the strategy will be considered following the Council of Australian Governments consideration of the strategy.

National Security

(Question No. 5445)

Mr Melham asked the Attorney-General, in writing, on 15 February 2007:

- (1) What progress has been made in implementing the September 2005 decision of the Council of Australian Governments to conduct, via the National Counter-Terrorism Committee, a review of information and intelligence-sharing processes between Commonwealth and State and Territory agencies, to facilitate better information flow to counter crime and terrorism in the aviation sector.
- (2) What specific measures have been put in place as a consequence of this review.

Mr Ruddock—The answer to the honourable member's question is as follows:

- (1) At its September 2005 meeting, the Council of Australian Governments (COAG) agreed to conduct, via the National Counter-Terrorism Committee (NCTC), a review of the information and intelligence sharing processes between Commonwealth and State and Territory agencies to facilitate better information flow to counter crime and terrorism in the aviation sector. The Review of Information and Intelligence Sharing in the Aviation Sector was finalised in June 2006 in time for consideration by COAG at its July 2006 meeting.

COAG agreed that the NCTC would consider the review and its recommendations, including how they may apply to information and intelligence sharing in other security contexts. The NCTC supported the broad conclusions of the review and is currently monitoring progress on jurisdictions' consideration of, and (where applicable) implementation of, the recommendations. The NCTC has also established a working group to develop a co-ordinated approach to the implementation of those recommendations which relate to the collection and sharing of intelligence between Commonwealth, State and Territory law enforcement agencies. My Department is also looking specifically at those recommendations in the Commonwealth context.

- (2) The NCTC will be provided with a progress report on implementation of the recommendations in mid 2007. This will include updates from all jurisdictions and will outline any specific measures that have been put in place as a consequence of the review. Until this time, I am unable to provide the Honourable Member with any further information on the implementation of the recommendations.

Australian Defence Satellite Communications Stations

(Question No. 5452)

Mr Melham asked the Minister for Defence, in writing, on 15 February 2007:

- (1) How many personnel currently work at the Australian Defence Satellite Communications Stations (ADSCS) in Geraldton, Western Australia.
- (2) Which private contractors currently provide personnel or deliver services to the ADSCS.

Dr Nelson—The answer to the honourable member's question is as follows:

- (1) 85.
- (2) L3comm (ESSCO) is contracted to provide antenna radome maintenance. Boeing Australia is also contracted to provide services at ADSCS, some of which are fulfilled by the following private sub-contractors:
 - (a) Raytheon Australia Pty Ltd; Barclay's Pest Control; Delron Cleaning; Geraldton Electrical Company; Lincolne Scott Australia Pty Ltd; National Oils; Collex Waste Removals; Midwest

Business Services; Geraldton Extinguisher Services; Drager Australia; Western Power Fleet Services; Testing and Commissioning Services.

Genetically Modified Crops

(Question No. 5453)

Mr Georganas asked the Minister for Agriculture, Fisheries and Forestry, in writing, on 14 February 2007:

- (1) Is he aware of any crops with a drought tolerant characteristic inserted by genetic engineering that are presently available for commercial planting.
- (2) Is he aware of any crops with a drought tolerant characteristic inserted by genetic engineering that are under development.
- (3) Does the Government have plans to override any of the various State moratoria that currently prohibit the planting of genetically modified (GM) crops in those jurisdictions.
- (4) What procedures are used by the relevant authorities to test food imported into Australia for GM contamination.

Mr McGauran—The answer to the honourable member's question is as follows:

- (1) Although research is being conducted into the genetic modification of broadacre crops to improve their adaptation to drought, I am not aware of any genetically modified (GM) crops with specific drought tolerance properties being grown commercially anywhere in the world. However, conservation of soil water may be an indirect benefit when using herbicide tolerant GM crops in reduced or zero tillage cultivation systems.
- (2) In Australia and around the world, the public and private sectors are working at developing drought resistant crops which could be available to Australian farmers in the future. These include varieties of wheat, cotton, corn (maize), rice, soybeans and canola.
- (3) No.
- (4) Food Standards Australia New Zealand (FSANZ) sets food standards for food available for sale in Australia and New Zealand (including imported food). AQIS inspects and samples foods at the border according to risk, based on advice from FSANZ. To date FSANZ has not identified any GM food that require action by AQIS. State and territory authorities inspect and sample domestic and imported food at point of retail sale to ensure they comply with the Australia New Zealand Food Standards Code.

West Papua

(Question No. 5462)

Mr Andren asked the Minister for Foreign Affairs, in writing, on 26 February 2007:

- (1) Will Article 2, Paragraph 3 of the recent Security Cooperation Agreement between Australia and Indonesia restrict the right of Australians and people in Australia to support the right of West Papuans to seek autonomy or self-determination.
- (2) Will the Australian Government ensure that (a) those in Australia who support the right of West Papuans to seek autonomy or self-determination will not be harassed or intimidated by Indonesian security and/or intelligence agencies and (b) the activities of people in Australia who support West Papuan independence movements are not recorded by Indonesian security and/or intelligence agencies.
- (3) Will the Australian Government protect the right of Australians and people in Australia to assist West Papuans to flee any threat they perceive in West Papua; if not, will the Australian Government act to stop people in Australia assisting West Papuans to flee any such threat.

- (4) Is the Australian Government aware of human rights abuses perpetrated by the Indonesian military in West Papua; if so, what response has the Government made and on which date/s.
- (5) Will the Australian Government encourage the Indonesian Government to allow human rights monitors and international media to access West Papua to ensure human rights abuses do not occur there; if not, why not.

Mr Downer—The answer to the honourable member's question is as follows:

- (1) No. The Australian Government's position is well-known: we support the sovereignty and territorial integrity of Indonesia and consider implementation of Special Autonomy and respect for human rights is the best resolution of the situation in Papua.
- (2) Any person in Australia has a duty to respect Australian law.
- (3) See answer to (2).
- (4) Australia has a strong track record of urging the Indonesian Government to investigate all alleged human rights abuses. In 2007, representations occurred on 16 January, 31 January and 1 February.
- (5) Yes.

Melbourne Fashion Festival

(Question No. 5464)

Mr Martin Ferguson asked the Minister for Foreign Affairs, in writing, on 26 February 2007:

- (1) Will his department be providing any assistance to the Melbourne Fashion Festival, to be held in March 2007; if so what is the nature of the assistance.
- (2) Is he aware of the commitment made by the festival organiser that models with a body mass index lower than 18.5 would not be permitted to participate; if so, in view of community concern about eating disorders and past support by the department for the Fashion Festival, is he concerned about the subsequent weakening of that commitment.

Mr Downer—The answer to the honourable member's question is as follows:

- (1) No.
- (2) The department has no record of having supported the Melbourne Fashion Festival in the past.

Media Ownership

(Question No. 5469)

Mr Murphy asked the Minister representing the Minister for Communications, Information Technology and the Arts, in writing, on 26 February 2007:

Further to the Minister's response to question No. 4823 (*Hansard*, 12 February 2007, page 110) and the Minister's response to question No. 4805 (*Hansard*, 4 December 2006, page 156), where does it explain in (i) the Government's *Meeting the Digital Challenge* paper of March 2006, (ii) the Government's announcement of the media reform package in July 2006, (iii) the parliamentary debate on the Broadcasting Legislation Amendment (Media Ownership) Bill 2006, or (iv) the evidence tendered at the Senate Environment, Communications, Information Technology and the Arts Committee inquiry in 2006, how it is in the public interest to allow a media owner to have a controlling interest in a free-to-air television network, a metropolitan newspaper, a monopoly pay-TV station, internet sites and magazines in the one market.

Mr McGauran—The Minister for Communications, Information Technology and the Arts has provided the following answer to the honourable member's question:

As has been previously noted in response to the honourable member's Questions on Notice regarding the impact on media diversity of the Government's media reform package, the Government has consistently explained in detail how its media reforms, as implemented by the Broadcasting Legislation Amendment (Media Ownership) Act 2006, will reform Australia's outdated media ownership laws, while safeguarding media diversity. Further explanation is unnecessary, and accordingly the Minister will continue to refer the honourable member to previous answers. Specifically, the honourable member is referred to the answers to Questions on Notice 4823 and 4805 from November 2006.

Fiji

(Question No. 5472)

Mr McClelland asked the Minister for Foreign Affairs, in writing, on 26 February 2007:

How many Fijian non-elected public servants have been banned from contact with the Australian Government under the current coup-related restrictions and what is the role of each public servant identified.

Mr Downer—The answer to the honourable member's question is as follows:

None.

The Australian Government maintains a policy of minimum engagement with the Fiji Interim Government. The policy permits contact with members of the Interim Government on a case by case basis when it is in our national interest to do so.

Child Care

(Question No. 5475)

Ms Plibersek asked the Minister representing the Minister for Human Services, in writing, on 26 February 2007:

In respect of the tender to provide salary-sacrificable childcare services for Centrelink employees that was issued by the former Minister for Human Services and which closed on 20 May 2006: (a) when was the successful tenderer selected; (b) who was selected; (c) when was the selection decision announced; (d) has a contract been signed and if so, when; (e) has the contractor received any payment from the Australian Government that relates either directly or indirectly to the provision of childcare for relevant employees; (f) what is the term of the contract; (g) how many tenders were received; and (h) are Centrelink employees benefiting from the contract.

Mr Brough—The Minister for Human Services has provided the following answer to the honourable member's question:

- (a) Evaluation of the tenders submitted was completed in late 2006 and the preferred tenderer was then invited to begin contract negotiations.
- (b) Centrelink is now in contract negotiations with the preferred tenderer, and an announcement will be made once contract negotiations have been completed.
- (c) See (b) above.
- (d) A contract has not yet been signed.
- (e) No.
- (f) The initial term of the draft contract is anticipated to be five years.
- (g) To protect the Commonwealth's interests and third parties involved, it is not Centrelink's general practice to release tender information until the procurement has been completed.
- (h) There is no contract in place at this time.

To prepare this answer it has taken approximately 2 hours and 25 minutes at an estimated cost of \$141.

Iraq: Death Penalty**(Question No. 5476)**

Mr Kelvin Thomson asked the Minister for Foreign Affairs, in writing, on 26 February 2007:

- (1) What is the Government's position on the application of the death penalty.
- (2) What representations, if any, has his department made to (a) the Iraqi Interim Government, (b) the Iraqi Transitional Government or (c) the Iraqi Permanent Government regarding the application of the death penalty; if no such representations have been made, what plans, if any, exist in respect of future representations.

Mr Downer—The answer to the honourable member's question is as follows:

- (1) The Government opposes the death penalty.
- (2) The Iraqi Interim Government reinstated the death penalty in August 2004. Since that time, the Department of Foreign Affairs and Trade has made representations to the Iraqi authorities and will continue to make representations as appropriate.

Iraq: Death Penalty**(Question No. 5477)**

Mr Kelvin Thomson asked the Attorney-General, in writing, on 26 February 2007:

- (1) What is the Government's position on the application of the death penalty.
- (2) What representations, if any, has his department made to (a) the Iraqi Interim Government, (b) the Iraqi Transitional Government or (c) the Iraqi Permanent Government regarding the application of the death penalty; if no such representations have been made, what plans, if any, exist in respect of future representations.

Mr Ruddock—The answer to the honourable member's question is as follows:

- (1) The Government opposes the death penalty.
- (2) The Attorney-General's Department has not made any representations regarding the application of the death penalty to the Iraqi Interim Government, Iraqi Transitional Government or the Iraqi Government that was formed following the Iraqi general election of 15 December 2005.

The Department of Foreign Affairs and Trade is responsible for making representations on these issues to foreign governments.