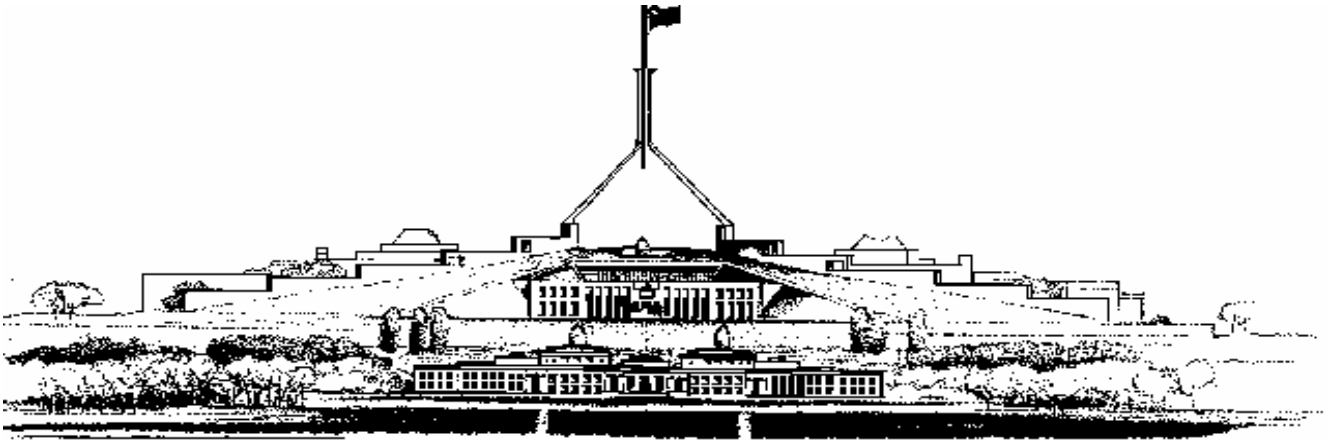




COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



House of Representatives

Official Hansard

No. 9, 2009

Tuesday, 16 June 2009

FORTY-SECOND PARLIAMENT
FIRST SESSION—FIFTH PERIOD

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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SITTING DAYS—2009

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

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

Governor-General

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

House of Representatives Officeholders

Speaker—Mr Harry Alfred Jenkins MP

Deputy Speaker—Ms Anna Elizabeth Burke MP

Second Deputy Speaker—Hon. Bruce Craig Scott MP

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

Leader of the House—Hon. Anthony Norman Albanese MP

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

Manager of Opposition Business—Hon. Christopher Maurice Pyne MP

Deputy Manager of Opposition Business—Mr Luke Hartsuyker MP

Party Leaders and Whips

Australian Labor Party

Leader—Hon. Kevin Michael Rudd MP

Deputy Leader—Hon. Julia Eileen Gillard MP

Chief Government Whip—Hon. Leo Roger Spurway Price MP

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

Liberal Party of Australia

Leader—Hon. Malcolm Bligh Turnbull MP

Deputy Leader—Hon. Julie Isabel Bishop MP

Chief Opposition Whip—Hon. Alex Somlyay MP

Opposition Whip—Mr Michael Andrew Johnson MP

Deputy Opposition Whip—Ms Nola Bethwyn Marino MP

The Nationals

Leader—Hon. Warren Errol Truss MP

Chief Whip—Mrs Kay Elizabeth Hull MP

Whip—Mr Paul Christopher Neville MP

Printed by authority of the House of Representatives

Members of the House of Representatives

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

Members of the House of Representatives

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

Members of the House of Representatives

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

Members of the House of Representatives

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

PARTY ABBREVIATIONS

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

Heads of Parliamentary Departments

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

RUDD MINISTRY

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

[The above ministers constitute the cabinet]

RUDD MINISTRY—*continued*

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

SHADOW MINISTRY

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

[The above constitute the shadow cabinet]

SHADOW MINISTRY—*continued*

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

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Tuesday, 16 June 2009

The SPEAKER (Mr Harry Jenkins) took the chair at 2 pm and read prayers.

QUESTIONS WITHOUT NOTICE

Economy

Mr TURNBULL (2.01 pm)—My question is addressed to the Prime Minister. I refer to the fact that under the Rudd government Australia's net public debt is expected to increase as a percentage of GDP by approximately 12 per cent, from negative four per cent in 2007-08 to eight per cent in 2010-11. Can the Prime Minister confirm that this dramatic increase in Australia's debt as a percentage of GDP is greater than the rise projected by the IMF in 11 of the other 18 G20 member countries, including Argentina, Brazil, Canada, China, Germany, Indonesia, Korea, Mexico, Russia, Saudi Arabia and South Africa?

Mr RUDD—I thank the honourable member for his question. What I would say in response to his question is that Australia's net debt is lower than that of all the other major advanced economies. I would also say to the honourable member that on the question of net debt he has a responsibility to say to the parliament, to name, a figure that would be acceptable to him, because each time they are challenged with this opposite they go missing in action. Let us have some honesty in this debate. Those opposite know that they have embraced exactly the same debt and deficit strategy as the government, though seeking to pretend otherwise.

Budget

Mr BIDGOOD (2.02 pm)—My question is to the Minister for Families, Housing, Community Services and Indigenous Affairs. How is the government improving support for carers and, in particular, providing financial security?

Ms MACKLIN—I thank the member for Dawson for his question and for his advocacy on behalf of the 2,600 carers in Dawson. Right around the country, carers, including those in Dawson, are about to receive some additional financial support. From tomorrow around half a million carers will get a new permanent \$600 carer supplement, and most of these payments will be made by 26 June. The payment will go to people who are receiving the carer payment, the veterans carer service pension and also those receiving the carer allowance. They will receive \$600 for each of the people they care for. Those people who are receiving both the carer payment and the carer allowance can receive two supplement payments. This means that many will receive \$1,200 supplements.

Centrelink will make the payments directly into people's bank accounts. What this does, as I think every single member of this House recognises, is provide important support to those carers who are doing such a fantastic job caring for those people they love. Each of us knows that that does put significant financial pressure on these people and their families. This new carer supplement will provide carers with additional financial security, and it is now a legislated annual supplement—a supplement that carers are going to be able to count on into the future. From 2010 the carer supplement will be paid each July and it will no longer be the case that carers have to hang on government decisions year on year, as they used to in the past.

This new \$600 supplement is part of the government's secure and sustainable pension reform package and, of course, has been widely welcomed by carers around the country. I would just like to share with members of the House, and particularly with the member for Dawson, some remarks made by a carer in his electorate, Pat Norman, from

Mackay, who looks after her husband, Ash. Pat is a carer on carer payment and Ash is on the disability support pension. Pat told my office:

We have been waiting for this for so long and these reforms have finally given us the peace of mind and extra support we need. What the government has done by making this a permanent payment is put my mind at ease for the rest of our lives.

From 20 September, Pat and Ash will also benefit from increases to their carer payment and the disability support pension.

We know on this side of the House that these reforms have required very difficult decisions to be made—decisions to make the pension system sustainable for the long term; decisions that the opposition now say that they support but of course did not have the bottle to do in the 12 years they were in government. By contrast, from tomorrow the \$600 payment will be made to carers to give them the security that they so deserve.

Economy

Mr HOCKEY (2.06 pm)—My question is to the Treasurer. I refer the Treasurer to the fact that the yields on 10-year government debt have increased from around 3.7 per cent in March to around 5.4 per cent today. Is the Treasurer prepared to claim that there is no relationship at all between the record level of projected borrowings by governments and the dramatic increase in interest rates on long-term bonds in the last three months?

Mr SWAN—I thank the shadow Treasurer for his question. It is pure baloney for the shadow Treasurer to assert that levels of borrowing that the government has not even engaged in are somehow having an impact on the 10-year bond rate. It is pure baloney, and that is what all of the economic commentators have said. It just demonstrates how opportunistic and how desperate this opposition has become, because their alibi

has now left the room. The member for Higgins is leaving and now the weight is on them to come up with an alternative economic policy which demonstrates what they would do in an environment where government revenues have been hit by \$210 billion over the forward estimates.

The member knows very well that we are dealing with long-term bond rates. They are affected predominantly by what is going on in international financial markets, and borrowings in this country are a tiny percentage of that. The long-term bond rate is also affected by what the Reserve Bank does with short-term rates. Those are the two factors, and that just demonstrates how out of depth this shadow Treasurer is.

Economy

Ms JACKSON (2.08 pm)—My question is to the Prime Minister. Will the Prime Minister update the House on challenges in the global economy and the government's nation-building strategy for economic recovery?

Mr RUDD—I thank the member for Hasluck for her question. Australians can be confident about their long-term economic future, because we are weathering this global economic storm better than most other economies. Firstly, the economy is the fastest growing among the major advanced economies. Secondly, we have the second-lowest unemployment of the major advanced economies. We have the lowest debt of the major advanced economies and also, unlike the other major advanced economies, this economy is not in recession.

Part of the reason for that is that the government has been on the front foot implementing our nation building for recovery plan. The nation building for recovery plan is being driven in each and every corner of the Commonwealth, resulting in some 35,000 construction projects across the country. The

alternative, of course, recommended by some of those opposite, is to sit on our hands and do nothing. This is not the recommendation of the government nor is it its plan of action.

The depth of the global economic challenge we are facing was underlined by more data which came in from Europe overnight. The European economies lost a record 1.22 million jobs in the first quarter. Employment in the 16-member euro region fell 0.8 per cent from the fourth quarter, the largest decline since 1995, and the European Commission is now forecasting that unemployment across the euro region will average 9.9 per cent this year and 11.5 per cent in 2010.

The IMF managing director, Dominique Strauss-Kahn, also said that there are 'some green shoots' out there—and we should emphasise the point—and that the IMF has revised upwards its forecast for 2010 but 'we have to be very cautious and a lot has to be done to be as sure as possible that the recovery will take place in the first half of 2010'. That is what the IMF had to say. US Treasury Secretary Geithner echoed a similar tone of caution in his remarks when he said:

Recovery will be slower than we would normally see. This is still going to be an exceptionally challenging period for business and for consumers.

That underlines the depths and the dimensions of the global economic challenge the government faces.

Let us also place this challenge in some historical context. The global economy is forecast to contract by 1.3 per cent in 2009, the first time that there will be a contraction in the global economy since the IMF began keeping records just after the war. Let us put that firmly in mind. Let us also compare it to the two previous recessions we have had in recent times, the global outlook both for the 1990s and for the recession of the 1980s as well. In the 1990s growth fell to positive 1.5 per cent in 1991 at the depths of that particu-

lar recession, and growth fell in the 1980s recession to 0.9 per cent in 1982.

The reason I emphasise these figures is to underline the fact that against the measure of the two previous recessions of the eighties and nineties, with which most people are familiar in this country, we are facing a much more difficult set of economic circumstances with global growth being projected to contract for the first time since the IMF began keeping its records just after the war. For us, of the economies on which we depend, our trading partners, eight of our top 10 trading partners are already in recession and China, of course, has halved its growth from two years ago. Across the world only three of the 33 advanced economies have recorded positive growth.

The nation building for recovery plan that the government is implementing has also been complemented by aggressive actions by the Reserve Bank on interest rates. Since the government has been in office, Australian families have benefited from six interest rate cuts. There has been, at the official rate, a cut of 425 basis points and interest rates are now at their lowest point in nearly 14 years. Under the Liberals Australian families suffered 10 interest rate rises in a row, a rise of some 250 basis points.

Opposition members interjecting—

Mr RUDD—I always note that they object when presented with these facts, but they are very simple facts: there were 10 interest rate rises in a row under the previous government, adding up to 250 basis points, and since this government has been in office there have been six interest rate cuts in a row, 425 basis points.

What does that mean for a working family? If you are out there with a mortgage of \$300,000, back at the end of 2007 an interest rate would have been paid of 8.55 per cent. Now we have in fact a standard variable

mortgage rate of 5.78 per cent. That means that if you are on a standard mortgage of some \$300,000 that represents a saving around \$530 a month. Those opposite seemed to regard that as a laughing matter. Go to the small-business constituency and interest rates as they applied at the end of 2007. For small business, rates for loans were 9.6 per cent. They are currently running at 7.9 per cent.

Mr Pyne—I rise on a point of order, Mr Speaker. The Prime Minister is now in excess of five minutes in this answer. Yesterday his answers were typically seven, eight and nine minutes. It is an abuse of question time and I ask you to make his answers more succinct.

The SPEAKER—The question was in order and the Prime Minister is responding to the question.

Mr RUDD—Again, what the government is doing is harnessing fiscal policy with monetary policy and seeking to make a difference when it comes to the impact of the global economic recession. We are engaged in a positive strategy to build the economy up, to lift Australia out of the global recession as soon as we can. This is in contrast to those opposite who always embark upon a strategy to talk the economy down—a negative strategy; always negatively criticising any positive economic news which may emerge. Our approach is to prosecute this strategy for the future. It is the right approach.

I draw the attention of those opposite to the release of RBA board minutes this morning because they have raised questions of public finance and public debt. Let me read them to you. The minutes flag concerns around public finances globally, noting:

Containing the build-up of public debt over the years ahead was likely to be a significant challenge for some countries ...

These points—

Mr Hockey—He just said it wasn't!

Mr RUDD—The member for North Sydney obviously has not read the released minutes of the Reserve Bank. Let me just continue reading from the minutes, for the benefit of the member for North Sydney. Let me just read this through to you. These points have been made previously by the Governor of the Reserve Bank; he has made clear that his comments were not in reference to Australia. He goes on to say:

Having said that, the size of the build-up in government debt in some of the major economies will surely become much more of a constraint on their fiscal room for manoeuvre over the next decade.

Mr Hockey—Yes, in Australia!

Mr RUDD—Let me add a sentence for the honourable member who objects so volubly. The governor said:

Let me make it clear that I am not talking about Australia here; rather, I have in mind countries where public debt could approach 100 per cent of annual GDP ...

Can I just suggest to those opposite that it is time they embarked on a positive strategy to build the Australian economy up rather than the continued negative campaign to talk the economy down.

Economy

Mr TURNBULL (2.16 pm)—My question is to the Prime Minister. I refer him to the answer he just gave, and the answer the Treasurer gave a moment ago to the question from the member for North Sydney. I also refer the Prime Minister to the rapid rise in long-term interest rates in global financial markets over recent months. Is it correct that this increase is due to investor concerns over the massive and unprecedented borrowing by governments around the world, including his own? Or does the Prime Minister contend there is some other explanation, as his Treasurer does, for the global rise in long-term

interest rates? If so, would he tell the House what it is?

Mr RUDD—I draw the honourable member's attention to the answer I gave in the House yesterday concerning the global bond rate—the bond rate which arises from the amount of public bonds on issue around the world, which from memory is around \$83 trillion, of which Australian bond issue as a fraction equals 0.001. That is fact 1. Fact 2 is that the assumption underpinning the honourable member's question concerns interest rates in Australia. Let them absorb this basic fact: interest rates in Australia are now at a 40-year low. We have had six interest rate cuts in a row; we had 10 interest rate rises in a row under those opposite. Can I suggest that those opposite focus on the facts rather than simply again trying to talk the economy down with a rolling negative campaign to undermine business and consumer sentiment.

Economy

Mr HALE (2.18 pm)—My question is to the Treasurer. Will the Treasurer outline for the House any recent evidence that the Rudd government's efforts to stimulate the economy and support jobs are working?

Mr SWAN—I thank the member for Solomon for his question. There are something like 299 projects underway in Solomon as a result of the government's nation building for recovery plan. This includes something like 185 defence housing units and 92 school projects in Darwin and surrounding areas. The member for Solomon has been a very strong advocate for every one of those projects, unlike those opposite, who are just so negative all of the time. They are of course opposed to every single one of them. The member for Solomon will at least stand up for jobs in his community. He will put his hand up for jobs in his community, unlike those opposite.

There has been some evidence over the past week that does show that the economic stimulus has been working to support jobs in our community. Last week we saw that house finance rose 3.6 per cent in April and is now 13.4 per cent higher over the year. Housing finance to owner-occupiers rose for the seventh month in a row in April, having fallen in each of the eight months prior to the announcement of the government's first home owners boost. Loans to first home buyers are at record levels, representing 28 per cent of new loans which are financed. This has caused Mr Chris Lamont from the Housing Industry Association to remark: 'Were it not for the first home owners boost a lot more people in the building industry would be out of work.' That is certainly so true.

Of course, last week we had the consumer confidence figures, where the country recorded the largest increase in 22 years—at its highest level since January 2008. Consumer confidence is now more than 20 per cent above the levels of last October. As Bill Evans observed last week:

... this surge in the Index can be seen as a delayed response to the significant stimulus over the last nine months.

Business confidence rose sharply in May, causing Alan Oster from the National Australia Bank to say this:

The improvement in confidence has developed more momentum—no doubt helped locally by the budget ...

He went on to say that 'to date the one-off government payments to low-income families and pensioners in December, the significant easing in financial conditions and the government's tax bonus payments have helped retail, which has performed well above the industry average'.

That brings us to the RBA minutes which have been released today. This is what the RBA minutes say:

Monetary policy had been eased significantly, and budgetary measures were also providing significant support to demand. Indications were that these policies were having some impact, though the full effects would take time yet to be seen.

So there is a positive strategy from the government. There is ample evidence that it is working. There is a rocky road ahead but what we on this side of the House know is that we are doing everything we can to support families, jobs and business.

Economy

Mr CIOBO (2.21 pm)—My question is to the Treasurer. I refer the Treasurer to the Reserve Bank minutes released today which contain the statement:

Many businesses were facing higher risk margins when loan facilities were rolled over or renegotiated, and many had experienced a significant tightening in the terms under which credit was available.

Why are our government-guaranteed banks making debt so much more expensive and difficult for small- and medium-sized enterprises?

Mr SWAN—The very first point I would make is that the government put in place the bank guarantee last October to ensure that credit was going to flow to the Australian economy, to households and to businesses. If it had not been for that decisive action then we would have experienced in this country a severe contraction of credit and the price of it would have increased dramatically. As a consequence of that action there has been a flow of credit in this economy virtually unlike in any other advanced economy. The point I want to make is that those opposite opposed the bank guarantee. They opposed our term funding guarantee that has enabled our banks to borrow almost \$100 billion.

Mr Turnbull—On a point of order, Mr Speaker, it cannot be relevant for the Treasurer to misstate the facts of the proceedings in this House. We voted for that legislation.

The SPEAKER—The Leader of the Opposition will resume his seat. There is no point of order. The Treasurer is responding to the question.

Mr SWAN—Those opposite must think that everybody in this House has no memory whatsoever. They have been in this House for week after week opposing the term funding guarantee—week after week conducting a campaign against the term funding guarantee—which has enabled our banks to borrow \$100 billion offshore to ensure there was a flow of credit to the Australian economy, including to Australian businesses.

Mr Turnbull—Mr Speaker, I rise on a point of order. It cannot possibly be relevant to misstate facts about votes in the House like this. The Treasurer has lost the plot—completely lost the plot.

The SPEAKER—Order! The Leader of the Opposition will resume his seat.

Mr SWAN—Today in the Senate there is a very important piece of legislation which will put in place ABIP and which will ensure, under some circumstances, a flow of finance to business. They are going to vote against it. They have opposed that tooth and nail and they have opposed the term funding guarantee tooth and nail. You could produce a very large box of statements from those that oppose the term funding guarantee. I know everybody in the gallery remembers the opposition coming in here day after day ripping the government apart because we put in place the bank guarantee—which has turned out to be spectacularly successful and one of the most beneficial measures that has been put in place in Australian history to support our financial system. It is also the case that there are difficulties for some sec-

tions of business in accessing finance even at the moment—I accept that—but it is not a function of anything other than the fact that the conditions in financial markets globally are very difficult.

Mr Ciobo—Mr Speaker, I rise on a point of order. The Treasurer has been speaking for three or four minutes now and has not mentioned small business once. That was central to the question. I ask for one mention of small business from this government—

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

Mr SWAN—There are thousands of small businesses that have a stake in what occurs with the ABIP legislation in the Senate this very day. There are thousands of small businesses that have a very big stake. There are thousands of small businesses that think that the government's economic stimulus measures were absolutely what was needed to support demand and to make sure that small business had customers. This is something that those opposite have opposed all the way through—the essential economic stimulus that we have put in place to ensure that small business has got customers walking through the door.

Of course, then there is the campaign from those opposite against OzCar and the efforts of this government to ensure a flow of finance to car dealers. The principal beneficiaries of that will be car dealerships in rural and regional Australia. We have had a whole smear campaign mounted around that. They cannot be too concerned about the flow of credit to car dealerships. They are certainly not concerned about the flow of credit to many of those people in retail small business. We understand there is still a challenging environment out there for many in small business, and that is why we will do everything we possibly can to ensure that those matters are attended to and that credit flows.

Building the Education Revolution Program

Mr MURPHY (2.28 pm)—My question is to the Minister for Education, the Minister for Employment and Workplace Relations and the Minister for Social Inclusion. Will the Deputy Prime Minister update the House on recent media reports about the Building the Education Revolution Program?

Ms GILLARD—I thank the member for Lowe for his question. I know that he would be very supportive of the 559 economic stimulus plan projects in his electorate totalling more than \$61 million. I know that he is a man who is very much in touch with his local schools and a frequent visitor to them. He would be delighted to see that 42 of his local schools are receiving more than \$53 million through Building the Education Revolution—the biggest school modernisation program the country has ever seen.

Before I came to question time, the member for Higgins—I note that he is not here now—was giving a press conference where he regretted that there was not enough humour in question time in the modern age. My mind has gone back to a comedy show on television called *Not the Nine O'Clock News*. What I am hoping is that I might be able to reprise that comedy show on the basis of what is not in the *Australian* today about Building the Education Revolution. People may have seen reports in the *Australian* today about Holland Park State School. It is a great school in the electorate of the Prime Minister. In reading that report today in the *Australian* newspaper people may have come to the conclusion that there was a problem with this program. Let me just clarify it for members of the House. Under Primary Schools for the 21st Century, Holland Park State School has been approved funding of \$1½ million for the construction of a new library, which was identified by the school as

a priority, and a further \$1½ million to extend and refurbish the existing multipurpose hall with new office and kitchen facilities, including seating, staging, sound and light facilities.

I understand that there were some critical comments made by a community member about this plan, and they are reported in today's *Australian*, and of course the *Australian* will report things said to it. I note that the principal of this school, Mr Anthony Gribbin, has sent the following statement about the school's view of the project. He says, somewhat informally:

Dear, Kevin

The school community is delighted by its successful application for funding under the second round of the Primary Schools for the 21st Century—Building the Education Revolution.

Holland Park State School will receive a once-in-a-lifetime enhancement of its facilities with improved interactive technology for all students and teachers, a new library and refurbished hall. These facilities will help us deliver quality education to all our students, providing them with a secure foundation for the future.

The school is currently in the planning stages with Education Queensland and it is expected that the approved projects will be ready for the start of the 2010 school year.

These facilities will also benefit the wider community, as they will be accessible for community training programs, meetings or workshops.

I thought that was a pretty glowing endorsement.

On the question of endorsements, my attention was also drawn today to the words of the former Prime Minister when asked about the member for Higgins. He said only 10 words:

I wish Peter well, but I have no further statement.

Mr Pyne—Mr Speaker, I raise a point of order. My point of order is obvious. How could this possibly be relevant to the answer that the minister is giving about the so-called

Building the Education Revolution? I ask you to draw her back to the question.

The SPEAKER—The Manager of Opposition Business will resume his seat. I will be listening very carefully to how the material is related to the question. The Deputy Prime Minister will respond to the question.

Ms GILLARD—I must admit that I did not think I would ever live to see the day when a Liberal member of parliament would not want me to quote former Prime Minister John Howard. It is a very unusual turn of events.

Mr Tuckey—What's this got to do with education?

Ms GILLARD—I was referring, of course, to his 10 words today about the member for Higgins—that is, one for each two years in parliament and one for each budget that the member for Higgins delivered. Of course, we suspect that is probably more than the former Prime Minister said to the member for Higgins in the last five years.

Mr Tuckey—Mr Speaker—

The SPEAKER—The member for O'Connor will resume his seat.

Mr Tuckey—I beg your pardon!

The SPEAKER—The Deputy Prime Minister will respond to the question.

Mr Tuckey—I have the right to a point of order.

The SPEAKER—The member for O'Connor will resume his seat! Given that the member for O'Connor has been interjecting for the whole time since the last point of order, he would understand that there is a bit of a two-way street. If he will now sit in silence, the Deputy Prime Minister will relate her comments to the question. There can be only one reason that the member for O'Connor would rise, and that would be on relevance. The Deputy Prime Minister will respond to the question.

Ms GILLARD—The question was about Building the Education Revolution; the question was about endorsements. I have obviously talked about the strong endorsement of the projects in the Prime Minister's electorate. The government will continue delivering Building the Education Revolution. I understand that it is opposed every step of the way by members opposite, but we will deliver this program in the interests of jobs today and Australian education tomorrow—which, as you can tell by the interjections, is something the opposition care absolutely nothing about.

Building the Education Revolution Program

Mr PYNE (2.34 pm)—My question is to the Minister for Education. I refer the minister to the guidelines for the schools stimulus debacle, specifically:

The Commonwealth reserves the right to refuse funding to a state or territory that releases information publicly about BER projects prior to the Commonwealth's approval of projects.

That has been interpreted by many school principals and governing council chairs across Australia as meaning that their school will lose funding if they make public comment about their serious concerns with the schools stimulus debacle. Will the minister amend the guidelines and guarantee that no school principal or governing council member will suffer repercussions as a result of its representatives criticising the government?

Ms GILLARD—I can answer the member's question very simply: no, we will not be amending the guidelines. We will be awaiting an apology from the Liberal Party for the standover tactics that used to be used in relation to Investing in Our Schools recognition ceremonies—

Mr Pyne—Mr Speaker, on a point of order: I take great exception to being accused

of standover tactics. I ask that those words be withdrawn as they are offensive.

The SPEAKER—As I have said from time to time, whilst there are many robust things that are said, that has been the nature of this place for many years.

Mr Pyne—Mr Speaker, I rise on a point of order on a different matter. Under standing order 90 the imputation of improper motives is specifically ruled out by the standing orders. I put it to you that being accused of mafia style standover tactics, particularly given the situation in Melbourne yesterday, is offensive and I demand that it be withdrawn.

The SPEAKER—There is no point of order. The Deputy Prime Minister will respond to the question.

Ms GILLARD—Mr Speaker, if it would assist the House, I withdraw. And I freely acknowledge the member for Sturt—

Mr Pyne interjecting—

The SPEAKER—Order! The Deputy Prime Minister will resume her seat. Yet again we have commentary from the Manager of Opposition Business about rulings. I am not sure why he thinks that he has this ability to continue quarrels with the chair.

Mr Hockey—Because you might change your view!

The SPEAKER—No, I doubt it. I will happily, regrettably, defend his ability to raise proper points of order. But, once they are dealt with, I expect him to sit there in relative silence—because I have learnt that there will be no way I can get him to sit there in silence. The question has been asked. We are 31 seconds into the response.

Ms GILLARD—Thank you very much, Mr Speaker. As I indicated, I do withdraw—and, of course, it is more squeak than standover when it comes to the member for Sturt.

On the question of Building the Education Revolution, I think a very important point has been raised by the member for Sturt—that is, the point about the guidelines. Our guidelines ensure that schools right around the country, all schools, will benefit from Building the Education Revolution. Yesterday evening I was with the member for Sturt in the Main Committee, where the member for Sturt interestingly talked about the ‘targeting’ of Building the Education Revolution. He said:

There are schools that already have very substantial infrastructure, have everything that a school could really want for its pupils—

Mr Pyne—Mr Speaker, I rise on a point of order under standing order 104. I asked about gagging, not about targeting of spending.

The SPEAKER—Order! There is no point of order. There are other avenues, as the Manager of Opposition Business knows, for him to address that concern, but it is not a point of order.

Ms GILLARD—My point simply goes to the question of guidelines. I will ask the member for Sturt to clarify at some time, for the House and for the Australian people, exactly which schools he thinks should miss out under Building the Education Revolution. I am very interested that the only education policy of the opposition is that they would seek better targeting of a program they do not support. Their education policy is, apparently, that they would better target nothing! That is what they would do in government. They would engage in better targeting of nothing, because they voted against Building the Education Revolution.

On the question raised by the member for Sturt, when he wants to come and apologise for things like Liberal staff members employed by state members of parliament being invited to address Investing in Our Schools

recognition ceremonies above local Labor members, then we will be all ears.

Border Security

Mr GEORGANAS (2.40 pm)—My question is to the Minister for Home Affairs. Will the minister update the House on measures to strengthen Australia’s border security?

Mr BRENDAN O’CONNOR—I thank the member for Hindmarsh for his question and his ongoing interest in the security of this nation. Can I also pay tribute to the outgoing Minister for Home Affairs, the member for Macquarie, Bob Debus. Thank you for your counsel in recent days, Bob; it has been very helpful to me. It is well and truly the case that he has done a great deal of work in this portfolio. He has shown a great interest in border protection and the interests of securing this nation.

The government is committed to keeping Australia’s borders secure and to working with our partners across the region to stop people-smugglers. The government’s approach to unauthorised boat arrivals includes retaining the excision of offshore islands, retaining mandatory detention of all unauthorised boat arrivals, retaining offshore processing on Christmas Island for all unauthorised boat arrivals and removing from Australia those who do not qualify for protection.

Before the budget we already had more boats patrolling our northern waters than the previous government and had increased spending on Customs surveillance. However, the spike in people-smuggling activity worldwide means we need more resources to deal with this global problem—

Mr Wood interjecting—

Mr BRENDAN O’CONNOR—We have, in fact.

Mr Wood interjecting—

Mr Randall interjecting—

The SPEAKER—Order! The member for La Trobe and the member for Canning!

Mr BRENDAN O'CONNOR—We know that this is not an issue Australia faces alone. For example, according to UNHCR estimates, 36,000 people arrived by boat on Italian shores in 2008 and 15,300 in Greece and the Greek Islands. This clearly illustrates that it is a global problem and we need both—

Opposition members interjecting—

The SPEAKER—Order! The Minister for Home Affairs will resume his seat. When the House comes to order.

Mr Adams interjecting—

The SPEAKER—The member for Lyons! The Minister for Home Affairs has the call.

Mr BRENDAN O'CONNOR—Thank you very much, Mr Speaker. This is a very important issue. I guess I expected this was such an important issue that there would be a bipartisan approach to these matters, but clearly those opposite do not see it as such an important issue.

In relation to people-smugglers, we know—and I am hoping those opposite understand—that people-smugglers feed on the vulnerabilities of the millions of people affected by regional and global conflicts like those in Afghanistan, the recent conflict in Sri Lanka and those in Pakistan and in Somalia, to name a few. Those conflicts of course have led to an increase in people-smuggling and an increase in those people seeking refuge. People-smuggling, as we know, is an abhorrent and despicable trade. And the Rudd government will continue to take all necessary and all reasonable steps to end this criminal transnational business.

That is why we have provided a \$654 million strategy for governments to combat people-smuggling and strengthen Australia's

border. We are funding strategies that will support the Australian Customs and Border Protection Service, the Australian Federal Police and other government agencies to work with source and transit countries to stop ventures before they can be launched. Customs have provided over \$405 million to deter people from attempting the dangerous journey to get to Australia. Customs will also provide the resources to work with governments and intelligence agencies in critical transit countries and to detect and intercept boats on the way to Australia through increased maritime patrol and surveillance.

The Australian Federal Police have been provided with a further \$41.6 million to enhance the capacity of the people-smuggling strike team and foreign law enforcement agencies. The Australian Federal Police will build the capacity of law enforcement agencies in critical transit countries such as Indonesia, Pakistan, Malaysia, Thailand and Sri Lanka by financing local law enforcement operations and by providing training and operational support. The government will also spend \$13.6 million over two years to strengthen our legal and prosecution capacity—again, another very important element to the government's strategy. Our border protection and people-smuggling policies are tough and they are strong. This government is determined to stop people-smugglers and to keep the borders of our nation safe.

Building the Education Revolution Program

Mr PYNE (2.46 pm)—My question is again to the Minister for Education. I refer to the minister's misrepresentation made in the House yesterday, confusing the Hastings Primary School in Victoria and the Hastings Public School in New South Wales, the recipient of \$400,000 for a covered outdoor learning area 10 times—

Mr Albanese—Mr Speaker, on a point of order: such an accusation against a minister can only be made by substantive resolution. The question is out of order under the standing orders.

The SPEAKER—The point being made in the preamble to this question was not made in a way that required a motion—that is, it was not indicating a deliberate misrepresentation—but I will listen to the rest of the question to get a sense of the context of the comment.

Mr Albanese—Mr Speaker, standing order 100(d)(ii) argues that questions must not contain arguments; part (iii) says questions must not contain inferences; part (iv) says questions must not contain imputations and part (v) concerns insults. I put it to you, Mr Speaker, that it is appropriate that you rule the first part of the shadow minister's question out of order and allow him to rephrase so that it is in order.

The SPEAKER—As I indicated in response to a point of order made by the Leader of the House yesterday, most questions would not pass a rigorous application of the standing orders that relate to questions—for instance, descriptions of programs being 'debacles' and the like are obviously argument. But there has been a growing tradition in this place of their being permitted. I will listen carefully to the totality of the question to get the context of the opening comment.

Mr PYNE—I might even make it easier for the House by simply saying: I refer to the minister's representation, made in the House yesterday, confusing the Hastings Primary School in Victoria and the Hastings Public School in New South Wales, the recipient of \$400,000 for a covered outdoor learning area—10 times the amount the same school received in 2003 for another covered outdoor learning area, which the principal described

today as 'almost as big as the one we anticipate building now.' Does the minister share the view of the Principal of Hastings Public School in New South Wales, which is 'I want someone to show me why a weather shelter is going to cost \$400,000?' Why won't the minister do the right thing and refer the waste and mismanagement of this program to the Auditor-General?

Opposition members interjecting—

The SPEAKER—Order! I would have thought that, the question having been asked, those on the left would allow the response to begin and would listen to it.

Ms GILLARD—Can I say to the shadow minister that, in adding to an answer yesterday, I was hoping to assist him. At that point, of course, he was not in the chamber, as a result of being excluded by you, Mr Speaker. What I can say to the member for Sturt, if he is interested—and maybe because they choose to interject rather than listen, he is not—is that the circumstances at the Hastings Public School in New South Wales are these: in 2003, there was a joint project involving a covered outdoor learning area. My understanding is that there was \$40,000 of government funding and a \$40,000 co-contribution from the P&C from fundraising they had undertaken themselves—a total of \$80,000 for, no doubt, a very worthy project. What has been made available to the school, under Building the Education Revolution, is a significant structure. It is the size of 1½ tennis courts; it has a solid roof; and it will include the fit-out, which will include an amphitheatre, seating, a sound system to facilitate school assemblies and performances, and science and art work spaces. This is obviously a very substantial structure with a fit-out which will enable whole school activities under cover.

What seems to me remarkable about these questions is that the shadow minister's only

position on education is to come into this parliament day after day and say, 'Why doesn't the government do less on education?' Presumably the shadow minister for education would only be happy if the government was doing nothing on education. Presumably he would be happy then because it would exactly mirror what the Howard government did in office—absolutely nothing. I challenge any member of this House to name one successful, profound school reform that happened under the Howard government. No, it did not. There were lots of articles in the *Australian* about Maoists on curriculum boards, but not one profound reform that—

Mrs Bronwyn Bishop—Mr Speaker, I rise on a point order. I refer to the relevance standing order and say that the minister has attempted to answer the question; the rest is just rhetoric and rubbish and she should be sat down.

The SPEAKER—The Deputy Prime Minister is responding to the question.

Ms GILLARD—It is always helpful to get a contribution from the future of the Liberal Party, the member for Mackellar. We wait for her to make a re-emergence much closer to the front. It is inevitable over time. My point is simply this: if we look at the track record on education of the Howard government, we are invited day after day to do less by the opposition. Well, we will not be doing less, because we do not want this nation to be at the back of the OECD for investment in early education. We do not want this nation to have slipping education standards. We do not want this nation to have disadvantaged children left behind. We do not want this nation to have children in sub-standard facilities. We do not want this nation to lack a 21st century vocational education and training system able to meet the needs of the modern economy, particularly

during the days of the global recession. We do not want this nation to lack a 21st century university system which is ready for a decade of reform so a greater number of Australians can get the benefit of a university education, particularly Australians from disadvantaged backgrounds.

I know every member of the Liberal Party might find those things offensive, but it is what drives us each and every day and we will continue to deliver it.

Climate Change

Mr SIDEBOTTOM (2.55 pm)—My question is to the Prime Minister. Will the Prime Minister update the House on the Australian government's actions to address climate change and how they will drive the low-pollution jobs of the future?

Mr RUDD—I thank the honourable member for Braddon for his question, as I know climate change and the response to it is such a matter of continuing disunity on the part of those opposite, where the Nationals and the Liberals are yet to reach a common landing point on anything! What the government has done in the 18 months it has been in office is, first of all, ratify Kyoto and bring Australia back to the global negotiating table. Those opposite had taken Australia away from that table for year after year after year.

Secondly, we established an ambitious set of carbon pollution reduction targets. To that effect, we have introduced into this House and passed through this House the Carbon Pollution Reduction Scheme, of which the government is proud—doing our bit to bring down greenhouse gas emissions, providing necessary adjustments for industry and for families and also ensuring that we are doing our bit to bring about a better future given the challenge which climate change represents to the Australian economy and to so many of our communities.

On top of that, we have also indicated that, in the course of this week—in fact, tomorrow—we will be introducing two bills that will deliver a fourfold increase in renewable energy in Australia by 2020. This is legislation around the renewable energy target. The government is committed to 20 per cent of Australia's electricity supply to come from renewable energy by 2020 through establishing an expanded renewable energy target—a matter upon which those opposite received copious advice when they occupied the treasury bench, advice which they systematically ignored.

In addition to the introduction of this legislation for the Carbon Pollution Reduction Scheme and the renewable energy target, the government has, through the budget, announced a \$1.365 billion measure: the Solar Flagships program. What we seek to do through this measure is, with the private sector investment, to get behind investment in 1,000 megawatts of solar electricity generation capacity in Australia, which once constructed would represent three times more power than the existing largest solar energy project anywhere in the world, currently in California. This would see Australia occupying, as it should, a position of leadership on solar energy given the copious supply of sunshine in our country and therefore the ability to rise to a national and international challenge to bring solar to the forefront.

In addition to that, there will be an Australian centre for renewable energy and further, of course, the measures we have taken through the Solar Homes and Communities Plan. A figure which was mentioned yesterday by the Minister for the Environment, Heritage and the Arts was that, after 12 years in office, some 10,000 max—or 10½ thousand, I think—solar panels were produced on people's roofs courtesy of the pre-existing government's program. In 18 months in office, we have provided support for 80,000

solar panels right across Australia in addition to what will be the energy insulation program being rolled out across owner occupied dwellings across the country. This is a \$4 billion investment to again reduce greenhouse gas emissions for the future and, of course, we will do our bit through the solar panels program to do the same.

The solar credits system, which will exist under the renewable energy target, will take the place of the existing Solar Homes and Communities Plan. We, therefore, await with interest what happens with the voting on the renewable energy target legislation because it will contain within it the mechanisms through which solar credits will be delivered to Australian households to support solar panels in the future. That is where the vote which will occur in the House and in the Senate is of direct relevance to mums and dads across the country. Their ability from 9 June to access those renewable energy credits for the purposes of obtaining a further reduction in the price of solar panels which they would purchase for their homes in the future rests entirely on the vote to be taken in the Senate.

Today the Clean Energy Council released a report by Access Economics which shows that renewable energy and energy efficiency policies would create an extra 28,000 new full-time jobs by 2020. According to the report by Access Economics, the government's expanded renewable energy target by 2018 will support an additional 4,000 full-time equivalent positions in that year.

These are important measures—important measures for our international negotiating posture around the Kyoto table, important measures in terms of the Carbon Pollution Reduction Scheme, important measures in terms of the renewable energy target and important measures about the future of the Murray-Darling, the Great Barrier Reef and

Kakadu, as well as about our place in bringing about a global solution to the problem of climate change presented to us all. For these measures to have effect will require support on the part of those opposite in the Senate. The government does not control the numbers in the Senate. This goes right to the question: what will be the future of the Carbon Pollution Reduction Scheme under the voting which will be undertaken in the Senate through the Liberals and the Nationals opposite?

I was advised today that there is a Senate inquiry report back from those who were looking at the CPRS. Normally there is a majority report or a minority report, a government report or an opposition report. I am advised today that not only was there a government report and an opposition report but there was a Liberal report and another Liberal report—one saying, ‘Yes, we’ll have a bit,’ and one saying, ‘No, we believe that climate change is something which does not exist. You just need a few shade cloths to make it better in the future.’ That is what happened on the CPRS with the Senate report which has just come in.

Then you go to the RET, the renewable energy target. I would have thought that those opposite would have embraced this with open arms, yet our good friends over there in cocky corner, the National Party, have gone out there and said they are going to knock it—the renewable energy target—on the head as well. I do not understand why. Let me say to the Nationals: when you have got the Liberals divided from the Nationals on the renewable energy target and the Liberals divided against the Liberals on the Carbon Pollution Reduction Scheme, is it any wonder we have not had a single question in this place on climate change in recent weeks when this legislation is making its way through the parliament?

This is where the rubber hits the road: renewable energy certificates will be necessary for Australian households to obtain deductions for their future purchases of solar panels, and that depends on the passage of this legislation through the Senate. As those opposite all bury themselves in their books at this point, this is a very important matter for working families. Working families want to know whether they will have support or opposition in the Senate to the renewable energy target legislation, because that will determine whether or not there is going to be support for credits in the future to bring the cost of solar panels down. These are the options we face. The government’s legislative agenda is clear: we ratified Kyoto, we have got CPRS legislation in the House and we have got RET legislation in the House. This is in our first 18 months in office, after 12 years of obfuscation by those opposite. I would say to those who want solar panels on their roofs that we need the Liberal Party and the National Party to get behind the government and support us on this measure and the CPRS. Our collective future and that of working families depends on it.

Building the Education Revolution Program

Mr CHESTER (3.02 pm)—My question is to the Minister for Education. Can the minister explain why a Bairnsdale building firm has been offered the opportunity to tender for so-called Building the Education Revolution projects at Foster, San Remo and Wonthaggi, up to three hours drive way, but was excluded from tendering for a local project less than three minutes away? Why won’t the minister do the right thing and refer the waste and mismanagement of this program to the Auditor-General?

Ms GILLARD—I thank the member for his question. I say to the member that I am very happy to look into the specifics that he

has raised with me. I will do that, and I am happy to take any details from him that he may have. The system in Victoria for the provision of projects is that the Victorian government bundles projects and they then have head contractors who contract with local contractors to deliver the projects. I am very happy to look at the circumstances the member raises. Obviously I want to be very clear with members in the House and people generally that this is an economic stimulus program to build the infrastructure of tomorrow and to invest in and support Australian jobs today. Not every building company that wants to work on Building the Education Revolution will end up with work. Obviously, though, if Building the Education Revolution were not there, the people who are working on those projects would not have their jobs supported by this program. So what I would ask the member to reflect on is whether or not he thinks that this work should be available to support jobs. If he thinks the answer to that is yes then he might want to reflect on why it is that he voted against the program. If we were delivering nothing—as the member voted for and as the Leader of the Opposition and the shadow minister believe—then he and I would not be talking today about whose jobs are being supported by the program; there would be no jobs supported by the program. His political party's strategy is to support no jobs through this program.

I also say to the member opposite—and I understand he was not in the last parliament but he may want to look at the *Hansard* of the last parliament—that, before he makes calls about referring things to the Auditor-General, he may want to reflect on the regional rorts scandal of the former government and the findings of the Auditor-General about that. He may want to reflect on the performance of the then Prime Minister in supporting the ministers who were involved

in the regional rorts scandal, including National Party ministers. He may want to ask himself the question: should he, when he looks at the program of Building the Education Revolution, be taking the view that this is a program for all schools around the country? We have not paid any regard to whether or not the schools are in my electorate, one of my colleagues' electorates, a Liberal electorate, a National Party electorate or an Independent member's electorate. We have said that every school should benefit under Building the Education Revolution.

I say this to the member opposite: the track record of his political party and the former government was not to benefit places around the country; it was to benefit places they saw political advantage in. If he is under any doubt about that then the Auditor-General can help him with that conclusion, because the Auditor-General dealt with it fulsomely. So, on the question of audit reports, the one I would be recommending to members opposite for reading tonight is the one about their conduct in government.

Renewable Energy

Mr ZAPPIA (3.07 pm)—My question is to the Minister for the Environment, Heritage and the Arts. Why is it important to provide comprehensive support for the Australian solar industry and how will the renewable energy target provide this support?

Mr GARRETT—I thank the member for Makin for his question. I know that, coming from Adelaide, he has a keen interest in the solar industry continuing to grow there. Getting behind Australia's solar industry is a crucial part of this government's strong support for clean energy in Australia. The Prime Minister has already informed the House that we will support the highest ever uptake of solar panels on rooftops right around Australia. We have more than quadrupled our election commitment, with 80,000 installations

set to take place from the time that the Rudd government came to office.

We are providing long-term support for solar panels through the new solar credits, which will become effective as of 9 June through the renewable energy target. This means a steady transition for solar businesses who have already got more than a year's worth of installations in the pipeline. Critically—and for people listening—solar credits will be open to everyone. There is no means test on solar credits. It is open to households, businesses and community groups. Solar credits will not be subject to annual budget cycles. That means long-term certainty for Australia's solar industry to grow and invest over time.

The government really does understand that we need to build clean energy industries in order to be competitive and we need to have a carbon price through the Carbon Pollution Reduction Scheme with an expanded solar energy target and solar credits. I think it is important to identify what is at stake at this point in time. Real action on climate change is necessary. Clean energy jobs are necessary. Providing investment certainty is necessary. This is the trifecta of necessary actions to put Australia on a good path to reducing our greenhouse gas emissions and building industry. But that is not what we have got from the coalition. We still do not have it. With a history of 12 years of tinkering around the edges, they have failed to embrace emissions trading and they have failed to embrace the renewable energy target. As the Prime Minister noted previously, they outright rejected increasing the renewable energy target in 2004. In response to the Tambling review, the coalition said very bluntly that they 'will not extend or increase the target'. It could not be clearer than that. That was the position in 2004 from the coalition: they would not extend or increase the target.

Apparently, it is a different story now. I note that the member for Flinders said on 1 May that the coalition would soon announce a 'more ambitious renewable energy policy' than the government's 20 per cent target by 2020. It is very easy to have policies when you do not actually announce them, and this is very similar to what the shadow minister said on 4 February when the coalition lined up to oppose the energy efficient homes plan—the largest rollout of energy efficiency in Australia's history, the complementary action that is necessary when you are taking real action on climate change. Here the shadow minister said:

... we will come back with more details of an energy efficiency package.

We have not seen that one either. But we should not be surprised, because the coalition have adopted the government's climate change targets but have got no plan to achieve them. They have got an imaginary energy efficiency policy, an imaginary renewable energy policy and, from what the National Party said today, it looks like we will have an imaginary emissions trading scheme as well. I noticed Senator Boswell in today's *Financial Review* has said:

I don't see how we could put the RET legislation through without the ETS. I do not see how you can support it ... because there would be no transitional assistance. None of the EITE industries ... would get any protection.

Amen! There is a very clear solution for the National Party, for the Liberal Party and for the Leader of the Opposition: support the government's Carbon Pollution Reduction Scheme, support the renewable energy target, support the energy efficiency home package, and let us get on with the business of bringing these clean industries that will support Australians in future into this place, which is what Australia so needs.

Building the Education Revolution Program

Mr LINDSAY (3.11 pm)—My question is to the Minister for Education. I refer the minister to reports that Queensland state government appointed project managers on the schools stimulus debacle will be paid more than \$500,000 for six months work. Why will the minister not do the right thing and refer the waste and mismanagement of this program to the Auditor-General?

Ms GILLARD—I note the member's question and note his reference to the Auditor-General. He may be interested in his spare time to study these reports from the Auditor-General about the regional reports program in the last parliament. He may, when he studies those reports about the regional reports of the Liberal and National parties when in government, want to offer some apologies for them—or maybe the leader of the party will do it on his behalf.

Mr Turnbull—Mr Speaker, a point of order on relevance: the question is about the government's schools program; it has got nothing to do with any other matters looked at by the Auditor-General.

The SPEAKER—Order! The Deputy Prime Minister will respond to the question.

Ms GILLARD—Thank you very much, Mr Speaker. In responding to the member's question, I can make it absolutely clear to him—as it is absolutely clear to school authorities, be they state or territory government school authorities or block grant authorities in the Catholic or independent sector—that we have limits in the Building the Education Revolution program as to expenditure on administration and project costs. What is made clear by the guidelines is that when project management is being undertaken by an arm of a state or territory government the Commonwealth will provide 1.5 per cent above BER project costs to adminis-

ter proper implementation. We have also said under the guidelines—and they are there on the website for the member to see—that four per cent has been identified as an industry standard for project management for the purposes of the Building the Education Revolution program. They are the guidelines of the program, and of course the guidelines of the program will be enforced as necessary.

I say to the member opposite that the central issue here is whether he supports expenditure on his local schools. He voted against it. His local school communities would be endorsing this program. His principals and teachers would be delighted about its possibilities.

Mr Pyne—Mr Speaker, I rise on a point of order as to relevance. The central point of the question was about waste and mismanagement, not about any other issue.

The SPEAKER—The Manager of Opposition Business will resume his seat. The Deputy Prime Minister is responding to the question.

Ms GILLARD—Thank you, Mr Speaker. The central point that the shadow minister needs to address is to be very honest with all members of the Australian community. If he had his way, not one dollar of this program would be being spent—not one school building, not one library.

Mr Ian Macfarlane—That's rubbish.

Ms GILLARD—That's rubbish! The Liberal Party can now nominate what expenditure it agrees to in Building the Education Revolution. If it is less than \$14.7 billion, it can table the list of schools that would miss out under its program. It could do that. The shadow minister and the leader could explain why they voted holus-bolus against this program instead of seeking to amend it to the Liberal authorised figure. If the shadow minister over there is the custodian of an alternative plan, in the interests of transparency in

politics he should table it, including, very importantly, the list of schools which would miss out. I am sure the member who has asked this question would want to know, under Liberal Party policy, which schools in his electorate would miss out so that he could walk through those gates and say honestly, 'The policy of my political party is that you should get nothing.' Well, actually, the policy of his political party at the moment is that he should be walking through every school gate and saying, 'The policy of my political party is you get nothing.'

This is a huge program, with \$14.7 billion being rolled out to build the infrastructure of tomorrow under the biggest school modernisation program in the nation's history. It is being delivered urgently for a good purpose—that is, to support jobs today. It is being used for that purpose, and we have said that, when you are rolling out something this big and this quickly for a good reason, it is inevitable that from time to time there will be questions, comments, concerns and criticisms. As we hear those questions, comments, concerns and criticisms we deal with them. The basic proposition here is: do you support schools or don't you? We say yes; you say no. That is the fundamental divide.

Iran

Ms ANNETTE ELLIS (3.17 pm)—My question is to the Minister for Foreign Affairs. Will the minister please update the House on developments in Iran?

Mr STEPHEN SMITH—I thank the member for her question. As members will, of course, be aware, the Iranian election was completed on 12 June and on 13 June the Iran Election Commission announced the re-election of President Ahmadinejad. This result has caused great controversy in Iran. Overnight we saw thousands of Iranians in Tehran protesting that result. It is now crystal clear—

Mr Dutton—If you say, 'Fair shake of the sauce bottle,' we'll know these are Rudd's words!

Mr STEPHEN SMITH—I am pleased to acknowledge the member's complete lack of interest in what is occurring in Iran.

Mr Dutton—It's a reflection of your lack of grasp of your portfolio

The SPEAKER—The member for Dickson will cease interjecting. The minister will ignore the interjections.

Mr Dutton—They are the Prime Minister's words.

The SPEAKER—The member for Dickson!

Mr STEPHEN SMITH—Mr Speaker, I am happy to ignore the interjection but it is impossible to ignore his complete indifference. I assume that that reflects the attitude of those opposite. It is now crystal clear that there are very grave doubts about the result so far as the Iranian election is concerned. Two of the main challengers, Mr Mousavi and the former speaker, Mr Karroubi, have indicated that they want the election result to be cancelled. The main challenger, Mr Mousavi, has filed an official complaint against the election result and he has been joined in that respect by the third challenger, Mr Razai. Australia, as with other members of the international community, is watching these developments very carefully and closely. We urge the Iranian authorities, the Iranian government, to ensure that the issues raised by the three challengers are dealt with promptly and transparently. We very strongly hope that the commitment made by the Supreme Leader that these matters will be reviewed leads to a thorough and transparent review and investigation.

In some respects more importantly—and hence my riposte to the member opposite—we are gravely concerned about both the re-

ports and the images of the serious human rights abuses we have seen on camera and in photos in the last 24 to 36 hours in Tehran. That is why I admonish the member opposite. We are very gravely concerned about the very serious breaches of human rights we have seen. We join the UN Secretary-General, we join President Obama and we join our colleges from the European Union and the United Kingdom in underlining very seriously our condemnation of these events and our call for restraint by the Iranian authorities. That is why I admonish the member opposite—for his complete indifference on human rights matters. We urge the Iranian government to—

Mr Dutton—Mr Speaker, I rise on a point of order. I find the remarks of the Minister for Foreign Affairs quite offensive. I would ask that you ask him to withdraw them.

The SPEAKER—Again, I indicate that quite often things are said in this place that are very robust. I also caution people that, if they want to interject, thereby interrupting the proceedings, often they get, to use the term that the minister used, ‘ripostes’ they do not like.

Mr Dutton—Further to your ruling and with respect, Mr Speaker, I took personal offence to the comments made by the minister. Regardless of the interjections and the way in which parliament conducts itself—on both sides—to suggest somehow that I have no sympathy for the Iranians or for the situation in Iran at the moment is offensive. I ask that they be withdrawn.

The SPEAKER—The honourable member will resume his seat. If the honourable member wishes to reflect upon the comments that he introduced by way of interjection at the start of this answer, I think he will understand the point I am trying to make. If he indeed feels aggrieved, there are other forms of the House that he might choose to use.

Mr STEPHEN SMITH—The Australian government has, of course, over the period made very strong representations to the Iranian government about serious human rights breaches. We underline those serious human rights breaches so far as the right of Iranians to protest peacefully is concerned. Like other members of the international community, Australia was impressed by the robust debate that we saw in the context and course of the election campaign. It would be most distressing if the spirit of that debate during the election campaign were not reflected by an election outcome which properly reflected the will of the Iranian people.

Putting those issues to one side—those serious breaches of human rights and our concern to ensure the election reflects the will of the Iranian people—there is in my view a more fundamental point to make. Irrespective of the outcome of the election, what is absolutely crucial for the international community and for Iran is that Iran changes its policy approach so far as its nuclear program in particular is concerned and so far as its treatment of human rights issues is concerned. These points have been made crystal clear by me in recent times to my counterpart, Iranian Foreign Minister Mottaki, and to his Deputy Foreign Minister Akhundzadeh. The time for Iran to engage properly with the international community, to respond positively to the overtures by the Obama administration, is now here. Iran needs to change its course, respond to the concerns of the International Atomic Energy Agency and act consistently with United Nations Security Council resolutions. If it does not, Iran runs the risk of further isolating itself and runs the risk of doing further damage to its standing in the international community and continuing to add to concern about its nuclear program.

We hope that the Supreme Leader’s undertaking for a review of these matters is ef-

fectured transparently and promptly. More importantly, we hope that Iran changes policies in respect of these matters. And I would certainly hope that there would be a general, bipartisan approach in these matters.

Workplace Relations

Mr KEENAN (3.25 pm)—My question is to the Minister for Employment and Workplace Relations. Minister, I refer you to this letter from the proprietor of the local IGA supermarket in Shenton Park in Western Australia. He outlines his concerns that, under the government's new general retail industry award, his small business will be required to increase the pay of casual employees to almost \$40 an hour. Under these changes, this proprietor says that he will have no choice but to sack staff. Minister, how many jobs will your award changes destroy?

Ms GILLARD—I thank the shadow minister for his question, because it gives me the opportunity to clarify some misrepresentations that have been made in the public debate about award modernisation. Point No. 1: award modernisation has been sought by employers in this country for decades. They wanted a simple, modern award system. Indeed, I recall, when the Howard government was in government and the member for Menzies was the Minister for Employment and Workplace Relations, he would come into this parliament and his daily sight gag was to hold up an award and to go through clauses that he viewed as archaic or overly complex.

Mr Andrews interjecting—

Ms GILLARD—He is nodding and saying that that did happen. When we came into office, despite statements by members opposite and ministers in their governments that they would do something about award modernisation, what in fact we inherited was Work Choices—a system where the award

system was slated for a slow and painful death and a system of individual statutory employment agreements which were about ripping off working Australians, particularly those most at risk. I thank the member for Higgins for reaffirming in his press conference today that he is still a supporter of individual statutory employment agreements. Maybe, with him raising the issue, the Liberal Party will be forced to come clean about what it will support at the next election about individual statutory employment agreements and about a return to Work Choices.

On award modernisation, what the shadow minister knows—and he does not always say it—is that the independent industrial umpire is engaged in an almost two-year process of award modernisation. The independent industrial umpire is working on transitional provisions that will take a full five years to come into effect. Those transitional provisions will therefore enable a smoothing of award modernisation. We understand that when you are modifying awards you are coming off different circumstances in different states. The industrial umpire is working through those issues and working through them well. The five-year transitional provisions are still to come. What the shadow minister also knows is that from time to time I have amended the award modernisation request if I have been persuaded that there is a significant issue that needs to be addressed. I did that recently in relation to the restaurants and hospitality area. We are obviously in continuing dialogue with employer groups, other stakeholders and individual employers as the award modernisation process works its way through.

What I would say to the shadow minister opposite as well is: if he was being very clear with this parliament he would acknowledge that the Liberal Party voted for this award modernisation process in the first piece of industrial legislation I presented to this par-

liament. What he would also acknowledge is the amendments that he is moving in the Senate would put the employers that he is talking about at risk of a sudden drop, a sudden change of standards, at the end of five years instead of a phased-in, gradual transition. We support fairness and decency in Australian workplaces. We support less red tape for employers. We support simple modern awards. We support a system of sensible and measured transition. And, of course, this is the side of the parliament that supports economic stimulus in supporting jobs.

Mr Turnbull—Mr Speaker, I raise a point of order on relevance.

The SPEAKER—The Deputy Prime Minister has concluded.

Economy

Mr GIBBONS (3.30 pm)—My question is to the Minister for Finance and Deregulation. Can the minister outline the government's strategy for strengthening the Australian economy in the face of the global financial recession? What is the government's response to criticisms of this strategy?

Mr TANNER—I thank the member for Bendigo for his question. The government has set out its economic and fiscal strategy in the budget, and that is focused on three things: first, stimulating economic activity and sustaining jobs in the shorter term; second, investing for the longer term in the infrastructure and skills needed to drive the productivity growth that is crucial for Australia's future prosperity; and, third, returning the budget to surplus in the medium term, repairing the fiscal damage that has been done by the global financial crisis.

It is true to say that there have been some criticisms of the government's economic strategy—not many, but some—from the wider community and the business community, but most particularly from the Liberal-National parties opposition. I note with some

interest that the focus of these criticisms tends to be on matters like the interest rates being paid by long-term bond holders, for example—that was early on in question time today. You do not hear a great deal from the opposition about jobs. You do not hear much from them about sustaining employment in the face of a global recession that is threatening the Australian economy and bearing down on economic activity. But, unfortunately, this is not the biggest problem with the criticisms from the opposition of the government's economic strategy. They are entitled to choose their angles. They are entitled to choose the critique that they pursue against the government's position. The biggest problem, however, lies with accuracy and coherence. It lies with their constant inability to get basic points correct. It lies with them, in particular the member for North Sydney, the shadow Treasurer, consistently getting it wrong.

Now that the Higgins sideshow is over, the Costello sideshow has concluded, there is a very different situation that prevails with respect to the opposition. They have had three shadow treasurers in 18 months and I think people have been letting the member for North Sydney off a little bit lightly because they have assumed that he would not be shadow Treasurer by the time of the election on the current turnover rate. I think that has now changed because the person looming over both him and the opposition leader has pulled the pin.

Dr Stone—Mr Speaker, I raise a point of order. Quite clearly, it is about relevance. This is just a personal diatribe and making an abuse of question time.

The SPEAKER—The member for Murray will resume her seat. The minister for finance is responding to the question.

Mr TANNER—I would just like to remind the House of a few examples of the

problems that the member for North Sydney has with respect to accuracy and coherence. He claimed the budget papers showed that the government would need eight years of two per cent of GDP plus surpluses to pay off debt as projected, unfortunately neglecting to point out that in order for that to be true there would have to be zero growth in GDP for 10 years. In other words, he forgot that GDP grows over time, as projected in the budget. In a debate on *Lateline* with me he claimed that the current account deficit never hit six per cent of GDP under the Howard government. Guess what it was when we took office, when we inherited government from the previous government? It was well over six per cent of GDP.

The day after the budget the member for North Sydney claimed that the Howard government had saved all of the windfall money from the mining boom, something that even Treasury research at the time demonstrated was completely untrue. After the budget, the member for North Sydney claimed that two-thirds of the projected deficits could be explained by the government's spending, conveniently neglecting to put in the equation a number of very substantial government savings measures. He just happened to overlook those parts of the equation.

Recently, the member for North Sydney and, indeed, the Leader of the Opposition have been claiming that projected government borrowing—not actual government borrowing yet but projected government borrowing over a number of years—is putting upward pressure on global interest rates that, in turn, is increasing interest rates in Australia, when Australian government borrowing as a fraction is 0.001 of total global government borrowing. He has also accused me of not including, within the budget, projections for IT savings which I have talked up at some considerable length, failing to notice that in the budget update, the Updated Eco-

nomical and Fiscal Outlook published in February—which he should, as shadow Treasurer, have read—there is in fact a statement of hundreds of millions of dollars worth of savings from the IT changes that the government is putting in place.

These are just the highlights, or the low-lights. But there is of course a wider picture that, soon, the opposition and the shadow Treasurer and the Leader of the Opposition are going to have to start filling in. The shadow Treasurer has said that the solution to Australia's economic problems is quite simple: 'The government should spend less money.' Unfortunately, the actions of the opposition, the positions they are adopting and their behaviour in the Senate all point in the other direction. They have not yet announced a single savings proposal—not one. They continue to block government savings initiatives in the Senate. The shadow Treasurer has indicated that they would continue with the government stimulus initiatives. And they keep making expensive new promises into the bargain.

We are now beyond the halfway mark in the parliamentary cycle and the business end of the season is approaching. The time when the opposition can get away with loose rhetoric, inaccuracies and 'facts' that are incorrect in the economic critique of the government's position is rapidly running out. We are going to hold the opposition to account on its rhetoric. We are going to hold the member for North Sydney to account on his rhetoric as we look forward to the time when the Turnbull opposition fronts up to the next election with the list of spending cuts, the list of savings, the list of cuts to programs and the list of increased taxes that it is proposing to put in place, if elected to office, in order to fulfil the position that it is adopting today. That is the implication of the opposition's position; that is where they are heading. They are heading for a collision with reality.

It is coming sooner than they think. We are looking forward to the time when they have to specify exactly what they are going to do for Australia.

Workplace Relations

Mr TRUSS (3.37 pm)—My question is to the Minister for Employment and Workplace Relations. I refer the minister again to her award modernisation process that will more than double wages paid to strawberry pickers on Sundays and public holidays. Does the minister have a plan to ensure that strawberries only ripen on weekdays or does the minister expect consumers to pay double for strawberries picked on holidays?

Ms GILLARD—I thank the member for his question and I thank him for the fact that he voted for the award modernisation process he is now criticising. I would correct him: it is not my award modernisation process; it is one that was voted for in this parliament, and he voted for it, and it is being undertaken by the independent industrial umpire.

Now I understand that members of the opposition hate independent industrial umpires. That is why they brought Work Choices to this country: to ensure that working people could be ripped off without the protection of an independent umpire. That is what they believe in so I know that they hate independent industrial umpires. But this process is being undertaken by the independent industrial umpire.

I do not accept the figures put in the question by the member. I did not accept the figures put in the question by the shadow minister. But what I can say to the members opposite, as I have explained before and as the member is obviously completely ignoring in his question, is this: this is a reform long sought by employers. This would be a simple modern award. Why should employers who are maybe around border regions between

states be under two completely different systems? He would find those employers saying to him that they want a more efficient system, and this will be one.

Then we are talking of course about a five-year measured phase-in that the industrial umpire is working through now. And for the member's information, from time to time as necessary, if there has been a significant issue with award modernisation, I have varied my award modernisation request, and I continue to consult with employers, including employers who represent the sector that he raises in the parliament today.

Mr Anthony Smith interjecting—

The SPEAKER—Order! The member for Casey!

Ms GILLARD—But I also say to members opposite, and it is something that I find really remarkable: I would have said about the past Liberal government that there were some people in it who actually came to this parliament to engage in reform. There were some people in it who actually understood that when you are engaging in reform that matters for the future that is a difficult process. It requires work with stakeholders. We are engaged in a difficult process that requires work with stakeholders. It is a process that was too difficult for the former Liberal government and instead they went down the rip-off route of Work Choices. When you are engaged in a reform process, yes, I understand that there is anxiety for people and they are watching the process carefully. I absolutely understand that, which is why I maintain a very strong dialogue with the employer organisations that represent sectors like the one the member has raised in this parliament. But when you are engaged in reform, you work with the reform process.

At the moment the opposition are carping and whingeing about this government's reform and, at the same time, they are not clear

about what they would do. I suspect that they are not clear because they are internally divided, not on the outcome but on the process. Their internal division is: 'Should we go to the next election loud and proud as Work Choices supporters or should we try and hide that fact?' Why don't they try resolving that and being honest about it?

The SPEAKER—Deputy Prime Minister, have you concluded?

Ms GILLARD—Yes.

Nation Building and Jobs Plan

Mr HALE (3.42 pm)—My question is to the Minister for Infrastructure, Transport, Regional Development and Local Government. Will the minister outline the progress in installing boom gates and other safety measures at level crossings as part of the government's economic stimulus plan?

Mr ALBANESE—I thank the member for Solomon for his question and I note that the government is undertaking the most sweeping investment in our history. We are spending more on rail in 12 months than those opposite spent in 12 long years. Part of the Nation Building and Jobs Program, the \$42 billion economic stimulus, was \$150 million over two years to install boom gates and other safety measures at 292 high-risk level crossings.

I note that those opposite object to this program, which is consistent with the fact that they voted against this program in spite of the fact that there are more than 100 accidents at these level crossings each year. How did we identify which level crossings should be fixed? We went out there and we consulted with the industry—namely, with Trevor Martyn, the Chairman of the Australian Trucking Association, who has had this to say:

The upgrades are desperately needed. The government has worked closely with the trucking industry to determine the level crossings that will

be upgraded. The funding is a great win for Queensland truck drivers, train drivers and everyone who uses the state's road system.

That is what the trucking sector are saying about our program.

As a result of the analysis, we did not do what they did with the regional rorts program. We did what we are doing with the education revolution. Indeed, 167 of these level crossings are to be fixed in Liberal Party and National Party seats. Fifty-seven per cent of them are in Liberal Party and National Party seats. In spite of that, this program is so offensive that they continue to interject against it.

Of course, in spite of the fact that they interjected against it and they voted against the nation-building program legislation in the parliament here two weeks ago, members of the House of Representatives who came into this chamber and voted against black spot funding in their electorates, against roads funding in their electorates and against rail funding in their electorates should be aware that it sailed through the Senate today—no divisions, no votes, no anything. Whereas they actually had the numbers, potentially, in the Senate, where they were engaged in a blocking operation, they did not have the ticker because they know that their position simply does not add up. So now we not only have members of the opposition doing one thing in Canberra and another thing in their electorates; they are doing one thing in the House of Representatives and another thing in the Senate. They are so inconsistent when it comes to nation building.

Of course, they will turn up to announcements. Indeed, the member for Grey, a true coalition opportunist, said this on radio the other day: 'I'll attend the opening of any infrastructure programs.' I am sure he will, and I will keep the member for Grey posted because we will be having infrastructure open-

ings right around the country, whether they be in schools, on level crossings, on roads, on rail or at ports. We are committed to this program. Indeed, we have been getting on with the job. Already, by the end of this month, in Victoria 20 out of 59 level crossings will have been completed—20 level crossings made safer and jobs created while that was occurring. In Queensland eight will have been completed by the end of this month, making these level crossings even safer.

I am pleased to say that I got a bit of correspondence addressed to me just recently. Indeed, it is from the shadow minister for, amongst other things, regional development and infrastructure and transport. That is a pretty serious title. He had this to say:

I write to thank you for identifying the sites Espie Street, Larapinta Drive and Lovegrove Drive in Alice Springs to be included in the boom gates for rail crossings program. As the Northern Territory local member for Braitling, two of these three boom gates are situated within my electorate. Within the past nine months there have been numerous near misses involving train versus vehicle—

Mr Anthony Smith interjecting—

Mr ALBANESE—You might want to actually listen to this:

due to the lack of lights not working properly, no boom gates or impatient drivers. This program is a great initiative to improving and preventing accidents at level crossings.

Mr Anthony Smith interjecting—

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

Mr ALBANESE—It continues:

I look forward to seeing the work undertaken this financial year.

Yours sincerely

Adam Giles MLA, member for Braitling, Northern Territory.

Not only is he the member for Braitling, representing the Country Liberal Party in the Northern Territory and the shadow minister for regional development, infrastructure and transport, he was the Country Liberal Party candidate at the last federal election against the member for Lingiari. So at the last election he stood against this side of the House but now he is prepared to stand up with this side of the House against the opportunism that we see day after day from those opposite. Their opportunism was highlighted today by their folding like a deck of cards in the Senate on our nation-building program legislation.

Workplace Relations

Ms GILLARD (Lalor—Minister for Education, Minister for Employment and Workplace Relations and Minister for Social Inclusion) (3.48 pm)—Mr Speaker, I rise on a point of order. As I sat down after my last answer to the parliament I heard the member for Canning make an interjection with reference to my forthcoming travel to Jerusalem. I may not have heard him entirely accurately and I think it may assist if he clarifies what the words of the interjection were.

Mr RANDALL (Canning) (3.49 pm)—Mr Speaker, on the point of order, I am very happy to clarify for the Deputy Prime Minister my interjection. I said, ‘Hurry off to Jerusalem, Julia; they’re waiting for you.’

Honourable members interjecting—

The SPEAKER—Order!

Mr Randall interjecting—

The SPEAKER—Order! I am not sure who you are talking to, Member for Canning, but if you are talking to me it is not the appropriate way to do it. I think that deals with the matter.

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

PERSONAL EXPLANATIONS

Mr TURNBULL (Wentworth—Leader of the Opposition) (3.50 pm)—Mr Speaker, I wish to make a personal explanation.

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

Mr TURNBULL—Yes, grievously—

The SPEAKER—Please proceed.

Mr TURNBULL—by the Treasurer. In the course of question time he said repeatedly that we had opposed the wholesale funding guarantee. He said that we had opposed it ‘tooth and nail’. He said that several times. The fact is that the Guarantee Scheme for Large Deposits and Wholesale Funding Appropriation Bill 2008 was brought into the House on 25 November by the government following a call for it from the opposition on 17 November in which I pledged bipartisan support. It was expressly supported by all the opposition speakers and carried without dissent on 25 November 2008, as noted on page 11,335 of the House of Representatives *Hansard*. The Treasurer should apologise to the House for misleading it.

Mr DUTTON (Dickson) (3.51 pm)—Mr Speaker, I wish to make a personal explanation.

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

Mr DUTTON—I do indeed.

The SPEAKER—Please proceed.

Mr DUTTON—During question time today, as the Minister for Foreign Affairs approached the dispatch box, I said to him that if he used the words ‘fair shake of the sauce bottle’ then this clearly was a contribution by the Prime Minister—that is, that his words were clearly provided to him by the Prime Minister, or words to that effect. And that has been somehow manipulated by the foreign affairs minister into some sort of a statement that we do not support the government in a

bipartisan position in relation to concern about developments in Iran at the moment. It is a complete misrepresentation of what I said. It is clear that the Prime Minister writes every word for this foreign affairs minister and that is the point I was trying to make.

The SPEAKER—Order! The member has now gone past where he was misrepresented. He will resume his seat.

DOCUMENTS

Mr ALBANESE (Grayndler—Leader of the House) (3.52 pm)—Documents are presented in accordance with the list circulated to honourable members earlier today. Full details of the documents will be recorded in the *Votes and Proceedings*.

MATTERS OF PUBLIC IMPORTANCE**Building the Education Revolution Program**

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

The failure of the Government to properly manage the Building the Education Revolution program

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 PYNE (Sturt) (3.52 pm)—The public would be scratching their heads today to remember a time when so much money had been so misspent, and misspent so quickly, as is being misspent through the bungled, mismanaged debacle that has become the schools stimulus spendathon. The minister likes to call it the Building the Education Revolution. Some of us suspect that she would prefer to call it the Great Leap For-

ward rather than the Building the Education Revolution but she probably failed to get that title past the hollowmen of the Prime Minister's office—although she did manage to get a \$3 million plaques campaign past the hollowmen of the Prime Minister's office so that she can be remembered in perpetuity.

There is \$14.7 billion being mismanaged by a minister who we used to think had too much on her plate. We used to think that in being a part-time education minister she just did not have enough time to manage her portfolio. But, since the passage of the Fair Work Bill through the parliament, what has become painfully apparent to the Australian taxpayer is that the minister cannot actually manage a program, whether it is the computers-in-schools program, which blew out from \$800 million to \$2.2 billion and is now delivering half and costing more than twice as much, or the Trade Training Centres in Schools Program, which was to put a trade training centre in every secondary school and is now being shared between 10 schools that cluster together to form one trade training centre. Now it is the schools stimulus debacle. Unfortunately, when it comes to the detail, the minister keeps spilling the drinks.

Our concerns revolve around many facets of this program but they can be headlined by the failure of the government to genuinely promote the regional aspect to what was supposed to be a jobs stimulus package in the regions as well as the cities, through the failure to use local businesses in many instances and through skimming by state governments, who are vacating their responsibilities now that the so-called Building the Education Revolution is in full swing. State governments realise they can rush away from the table and take what meagre resources they were going to put into capital works and leave the federal government—and the federal taxpayer—holding the baby.

We are concerned about profiteering by private enterprise and individuals who are inflating their tender contract figures simply because demand and supply have been suspended by this program. There is simply not enough capacity in the system to supply the demand that the government is asking of the private sector. When the private sector say to government bureaucrats, 'We simply have not got the capacity to do this,' they say: 'We have to get this money out the door. We have to rush this money out the door, so you will simply have to do it.' The private sector respond, 'We cannot afford it,' and are told, 'Well, put up your contract figures and you will be able to do it.' That is exactly what is happening through private companies. Whether they are profiteering deliberately or simply because bureaucrats are encouraging them to do so, there is profiteering.

We are concerned about the poorly targeted spending. It does not take into account the needs of schools and local communities. Instead, it insists on a centrally planned, centrally controlled template of options. Schools are being presented with these with sometimes one day to make the decision about whether they wish to take the template from the federal government, even though there might be real infrastructure that they need to have in their schools.

We are also concerned about the waste and mismanagement of projects where literally billions of taxpayers' dollars are being spent on 'Versace stuff' to quote one expert in the field. Those wasted dollars are hard-earned taxes created by Australian taxpayers to be used on genuine infrastructure but we are seeing those dollars wasted and disappearing.

The only solution to this morass of mismanagement and this wanton waste is to refer the entire management of the program to the Auditor-General to determine exactly

what is happening and what needs to happen to make the program work. Nobody on this side of the House begrudges the opportunity for schools to improve their infrastructure. But we do not believe—and neither should the government—that means waste and mismanagement should be tolerated. The Auditor-General will get to the bottom of exactly what is going on with the so-called Building the Education Revolution.

I turn to some of the details of these failures. On the issue of skimming by state governments, I quote the Prime Minister in a press conference he gave on 3 February 2009:

This Government will adopt a zero tolerance approach to any State Government whatever its political complexion, to any substitution of effort, let's be very clear about that.

How does the minister explain to the House why in Victoria state government promises made at election time—under the rubric of schools policy—to build new infrastructure, new schools and new refurbishments in existing schools, are being taken off the table right across Victoria as the state government realises its chance to run from the field and leave the field to the Commonwealth to pick up the pieces?

How does she explain the South Australian government budget 10 days ago reducing capital spending by 12 per cent? In a state like South Australia, that represents about \$8 million but most parents and grandparents would be expecting that every year capital spending in South Australia would be increasing because of the needs of the public school system. They would not expect it to fall by 12 per cent. Coincidentally, of course, it comes at the same time as the federal government is putting \$1 billion into South Australia for the so-called Building the Education Revolution. They are clearly skimming federal taxpayers' money, and it is the minis-

ter's responsibility to do something about it. If she will not do something about it, she should ask the Auditor-General to do something about it.

Then there is the whole issue of preferred tenderers. The member for Bradfield raised in this House on 17 March a very good example in his own electorate—Wahroonga Public School. He is a very good member.

Opposition members—Hear, hear!

Mr PYNE—The member for Bradfield is an excellent member, and I see two excellent members sitting together in the House. The member for Bradfield raised the Wahroonga Public School, which had received a \$22,660 quotation from a local fencing company to be spent at that school. But Spotless, the preferred state government tenderer, had also tendered for \$40,122. There was a \$17,000 difference, and of course Spotless were told that they would win the tender and the local tenderers were told that they had missed out. The minister would say, 'What is \$17,000?' Seventeen thousand dollars is just a Versace suit to the minister. The \$17,000 is a metaphor for exactly what is going on in the so-called Building the Education Revolution on the grand scale as well as on the micro scale. Why doesn't the minister wish to act? Why is the minister hiding from the Auditor-General's scrutiny of yet another one of her bungled, failed programs? Unfortunately, this is a minister who is long on rhetoric and short on delivery.

In terms of waste and management, Reed Construction Data, who are considered to be the industry bible on building costs, are absolutely shocked at the amount of money that is being spent on school halls. The *Australian* of last Saturday stated:

Reed's chief estimator, Gary Thornley, said an average school hall should cost no more than \$1000 per square metre to build.

A three-storey office block could be built for the price the government was spending on halls, he said.

And I agree with him. The article quotes him as saying:

I reckon \$3m is a really big hit ...

Even if we went beserk we'd never come up with that figure. Whoever has produced that figure has taken it out of their earlobe. It's Versace stuff.

Unfortunately, the government has gone berserk and we do have a minister who has no control over what is going on at the grass-roots level in her department. She has taken it out of her earlobe, and that is the problem. That is the answer from Mr Thornley. Most of these quotes are in the minister's earlobe and she is pulling them out and throwing them on the ground for her bureaucrats to pick up. The bureaucrats are rushing them out into the public and the builders are saying: 'This is a tremendous amount of money, but we're hardly going to argue about it. Why wouldn't we want to make a profit?' The losers are the hardworking taxpayers of Australia.

But there are much worse examples. Take the Hastings Public School. The minister confused this school yesterday with the Hastings Primary School in Victoria—we have always been talking about the New South Wales one. The principal, to his great credit, because he would be fearing repercussions from probably the New South Wales Labor Party for speaking out, said he was shocked. He said:

It's not my money. It's not your money. It needs to be used properly.

He is quite right; it is taxpayers' money. He also said:

I am intrigued as to how the figures have been arrived at and who gave them a figure of \$400,000 for what is essentially a weather shelter.

Reflecting on our experience of six years ago—

and the minister has still failed to answer these questions after two days—

we built a COLA—

a covered outdoor learning area—

that is almost as big as the one we anticipate to build now, and it cost just over \$40,000.

Even if there were another contribution that made the total cost \$80,000, she entirely failed today in her answer to deal with the fact that today it is \$400,000. He said:

Inflation hasn't increased 10-fold in six years.

I'm expecting the Taj Mahal of COLAs.

And I imagine so is his local community.

The article stated:

Mr Heaton said \$2.6m for the new double classroom also seemed too high.

"I've got a friend in the building industry and his jaw dropped when I mentioned the figure to him," he said.

"It's a very large figure for two classrooms.

... ..

"I want someone to show me why a weather shelter is going to cost \$400,000."

I think that is a reasonable question, but for some reason the minister refuses to answer it.

There are more examples. There is poorly targeted spending in the Prime Minister's own electorate at the Holland Park State School, where they are required to have the same school facility rebuilt. Craig Mayne says about the Queensland state government bureaucrats:

It's just numbers to them.

That about sums it up. It is all just numbers to them—numbers to get the money out the door as quickly as possible. Any justification or scrutiny of the decisions that have been made is not nearly as important as the fact that they can go on the news at night on Channel 7 or another channel and say they are spending \$14.7 billion. I am sure the

public think that \$14.7 billion being spent on school infrastructure in some respects would be justified, but they would also want it to be spent sensibly. They would not want it to be spent in a wasteful and mismanaged way. Unfortunately, that is what this government is delivering.

The piece de resistance so far, and I am sure it will get worse, is that project managers in Queensland are being paid at least twice as much as the Prime Minister to manage these projects—\$525,000 over six months. Members on the other side must be amazed that the minister is allowing them to get away with this. They are being paid \$525,000 over six months to manage these projects. That is much more than the Prime Minister earns in a year. What did the minister do when she was asked about that today? She said, ‘We have a 1½ per cent administrative fee.’ She completely avoided the question that was asked. The facts on the ground are showing that half a million dollars is going to project managers in Queensland. What is she doing about it?

I could go on and on, and I am sure the minister would like me to. I could talk about the Cleve Area School, about how eight classrooms can turn into four in a three-month period, an inflation figure somewhere between Ethiopia’s and Zimbabwe’s, or the lunacy of air-conditioning not being allowed to be included in existing buildings, which the member for Kalgoorlie raised yesterday, but I will finish on the really pernicious issue that the minister today refused to address—that is, the Orwellian nature of the guidelines that stop any criticism of the government, the Orwellian nature of writing a guideline which strikes fear into the hearts of principals and the chairs of governing councils around Australia. They have given us a lot more information than we have been able to use, I assure the House. They do not

want their names used, because they are frightened of Labor Party recrimination.

If the minister were genuine about wanting accountability and transparency, she would lift the veil of secrecy that exists over this program and hand it to the Auditor-General. Clear up the mess, Minister. Give it to the Auditor-General and save taxpayers’ dollars.

Ms GILLARD (Lalor—Minister for Education, Minister for Employment and Workplace Relations and Minister for Social Inclusion) (4.07 pm)—What we did not hear in 15 minutes of invective and allegation was anything approaching a fact. I think that is best demonstrated by the fact that the school that the shadow minister referred to in his address—indeed, it was one of the few schools he actually referred to by name in a generalised attack of invective without facts—was a school in the electorate of the member for Bradfield. He sought to use the name of that school, and the project there, to say that there is something wrong with the Building the Education Revolution program. I think it says all we need to know about the calibre of the shadow minister’s contributions to this place that the project he refers to at that school is not a Building the Education Revolution project. It is not within this program of Building the Education Revolution. I am actually going to visit that school with the member for Bradfield. We have looked at the project the member for Bradfield raised in the parliament with me some time back. It is not a Building the Education Revolution project, as the shadow minister has tried to make out. His was an address long on invective and short on facts.

In terms of the various things that the shadow minister said which are not accurate and should not be allowed to stand unchallenged, let me make the following points. He made an assertion about the Digital Educa-

tion Revolution program and the provision of computers to students in years 9 to 12. He sought to assert that somehow that program had been halved. That is completely untrue. The government is honouring its election commitment to bring computers to students in years 9 to 12 with an effective one-to-one ratio. What we promised is what we will deliver. Anything said to the contrary is simply not correct—an assertion that has been made by the shadow minister before, an assertion he does not understand because he has not looked at the facts long enough or an assertion he makes while the facts are so startlingly different.

Then the shadow minister made an assertion about the trade training centres program of the government. He has made this assertion before. He has sought to leave people with the impression that somehow this program has been reduced, that somehow what would have been a benefit for each secondary school in the country is now only a benefit if schools cluster into groups—and he made reference to a group of 10. That assertion is completely untrue. The trade training centres program is being rolled out, as promised to the Australian people, on the basis that it can benefit every secondary school in the country. What has happened is schools have elected to work together to bring greater resources together and therefore build bigger facilities. Sometimes schools have decided—

Mr John Cobb interjecting—

Mr Pyne interjecting—

Ms GILLARD—I get commentary coming across the table now. But I think that if a principal in good faith works with principals in their region and says the best thing they could do would be, rather than each school exercising its entitlement under the program, to come together and do something together, then I think that decision and that educa-

tional judgement should be respected. For the shadow minister to try and contend that the fact that that is happening means that there is somehow less of an entitlement for each school is simply not correct. Each school could exercise its entitlement under the program—the program is there being delivered as promised, but they have made a different decision. Once again, the shadow minister is long on invective, very keen to parade himself in front of his colleagues, no doubt taking out some insurance against future wheeling and dealing within the Liberal Party. But what never comes to his lips during the course of that is a fact.

On the questions raised about Building the Education Revolution, the shadow minister at the table has repeated things that he said in the Main Committee last night. He says that this program is not targeted right. It does seem to me a moderately amusing assertion in circumstances where he opposes the whole program. Under his world view, and under the world view he voted for in this parliament, not one school would get anything. Let's put aside the absolute irony that the apparent policy of the Liberal Party in education is they stand for better targeting of nothing—because that is what they would deliver if they were elected—and just deal with the shadow minister's criticism. Let's say the shadow minister is serious about better targeting. I told him in the Main Committee last night, and I tell him again in this parliament today: if he believes this program can be better targeted and will provide me with a list of the schools that he thinks have infrastructure at such a standard that they do not need Building the Education Revolution, then I will take the list of schools he says should get nothing under the program, I will publish it on the government's website and we will allow the matter to be debated in the community. If he wants to do that, give me a list of schools that he says should get noth-

ing, I will publish that list for him. I will make sure, through every communications channel available to the government, that it is disseminated throughout the community and we will have the debate. I made that offer to him yesterday evening. I am yet to receive the list.

Then of course the shadow minister makes assertions about whether or not this is supporting local jobs. I do not know whether the shadow minister spends much time talking to people in his electorate. He may not. But if he did speak to people in his electorate they would say the following to him. The Tagara Group, a construction company based in the member for Sturt's electorate, said:

The additional (school) projects ... may mean about \$48 million in sales for Tagara that would otherwise not have been achieved ...

Presumably, as a local member, as a shadow minister, as a member of the Liberal Party and as a supporter of the Leader of the Opposition, he does not think the Tagara Group should have that opportunity to support those jobs.

Another business in the member's electorate, Bettio Building Contractors, have indicated that they are hoping to take on two large school projects, securing them \$6 million. They said: 'We'd like to think we'd employ a minimum of two extra staff.' Presumably, the shadow minister, the member for Sturt, does not think those two people should have jobs. The story of Sturt is a story that is replicated right around this nation. And right around this nation the Building the Education Revolution program is rolling out to support jobs in local communities and rolling out so that it is giving our schools the infrastructure they need for the 21st century.

Then the shadow minister comes in here and, perversely, makes claims on the one hand that this is a Versace program and that

somehow too much money is being put into each school building, and then on other occasions he leaps on the other foot and says that not enough is being provided so that the school can build the facility that they are planning. At some point, the shadow minister has to decide whether he is Arthur or Martha, whether what is being provided is too much to build the facility or too little. It is not logically consistent to maintain both positions. He then quotes a figure that is a 'per metre construct' figure given by a construction company. I am sure that the constructor gave the figure in good faith. But what the shadow minister ought to know, if he knew anything about the Building the Education Revolution program, is that we are not just talking about the physical construct; we are talking about all of the fit-out inside the building so it is fit for purpose.

Anybody who has built a home, or who has done some renovations at home, knows that there is a substantial difference in the figure between lockup, as builders call it, and actually being back in a fully fitted facility. A kitchen at lockup will be the walls; a kitchen that is a fully fitted facility will have the sink available, all of the plumbing available, all of the tiling done, the range hood and all of those sorts of things. We are talking about buildings that are acquitted so they are fit for purpose: interactive whiteboards, seating, amplification systems, cooling, heating—whatever is necessary to make sure that these buildings are fit for purpose. It is no mystery that a builder would give a per metre construction price and that that would be different from what it is actually going to cost to roll out this program. The difference is in the fit-out.

The shadow minister then makes some allegations about profiteering. The problem with that is that he has not got one fact. When he made those allegations, the picture he was trying to create was of a building and

construction industry that had so much work to do and so many jobs to pick from that they could pick and choose, they could put their prices up and rip people off and it would not matter because people were so desperate to get the attentions of that builder. Hasn't the shadow minister heard of the global recession? The reason we are rolling this program out now, as anyone in building and construction will tell you, is that private sector investment in the building and construction industry is in retreat. If we had not acted, then there would be builders around this country—and the people who worked for them: the plumbers, the tilers, the carpenters et cetera—who would not have jobs. The only reason economic stimulus is necessary at this time is the global recession. With the private sector in retreat, to support economic development in this country, to support economic activity, we need to make sure that the surplus capacity in the economy is not left idle with people on unemployment queues, that they have things to do—things that are important for the future of this country; things that are vital, like making sure that we have good quality schools.

The picture the shadow minister creates of limitless opportunities for profiteering is obviously a completely false picture that could only be painted by someone who does not understand the global recession and its impact on hardworking Australians, who are very worried about their risk of unemployment—understandably so during such a global recession and globally synchronised economic downturn.

The shadow minister then makes assertions about interrelationships with state governments. We have been very clear, with very tough penalties for states that do not maintain effort in their forward estimates in school capital. We are very clear about that and we will be very vigorous with any state that does not acquit its obligations under the

Building the Education Revolution guidelines.

Amazingly, the thing that the shadow minister started with was the question of plaques and recognition ceremonies.

Mr Pyne interjecting—

Ms GILLARD—No, you did start there. I am kind of glad that the shadow minister did because it gives me an opportunity to take the parliament through some correspondence I think is important. I will table it piece by piece. A letter of 15 May from the Hon. Julie Bishop, then the Minister for Education, Science and Training, to Lynne Kosky, then the Minister for Education and Training in Victoria. The letter, amongst other things, says:

I would like to highlight some key aspects of the recognition requirements that apply to official announcements and publicity material about funding projects, opening ceremonies in schools, and construction signs and plaques. Broadly, all publicity material, media releases, public announcements, construction signs and plaques must acknowledge the Australian government's financial contribution. The Australian government minister must be invited to attend all school opening ceremonies and at least two months notice of such ceremonies must be given to my office. The proposed date must not be an Australian government parliamentary sitting day. The text for plaques must be sent to the Schools Liaison Officer in my parliamentary secretary's office for approval, prior to the school opening.

She goes on to chide Lynne Kosky about the fact that a construction sign outside the Mount Erin Secondary College did not acknowledge the Australian government's contribution to the capital works project. She goes on to chide Lynne Kosky about the fact that Jacinta Allan, a Victorian member of parliament, did not acknowledge the Australian government's financial contribution to the Mount Erin Secondary College in a press release. She then goes on to chide Lynne Kosky that, although the member for Deakin,

then a Liberal member of parliament, was invited to an opening ceremony, the then Minister for Education, Science and Training, Brendan Nelson, was not and that was a breach of the guidelines. I table that correspondence. But it is the first in a series, because she sends a second letter of 3 October, and she is quite angry by then. She says:

I will only approve funding for projects that have not previously been announced by the Victorian government in the state budget, media statements, advices to schools or any other publicity material and where the Australian government contribution has not been appropriately recognised.

And then the piece de resistance: she had a letter about the lack of compliance with recognition requirements at the Flying Fruit Fly Circus School. She is very angry by now. She is very, very angry that she has not been appropriately recognised and that the Australian government coat of arms was not displayed on the sign while the Victorian government logo was prominently placed at the top of the sign. She was very, very angry. The Flying Fruit Fly Circus is a great circus, but the real circus in here is the opposition. (*Time expired*)

Mr CHESTER (Gippsland) (4.22 pm)—It is not with any triumph that I rise today to speak on this matter of public importance. I take no satisfaction from the topic before us: the failure of the government to properly manage the Building the Education Revolution program. I am not going to indulge in a debate on the merits of the program and the amount of borrowed money, \$14.7 billion, that the government has set aside for the initiative, because that debate has been had. But the government has an obligation to the Australian public to achieve value for money in rolling out this initiative to achieve its stated objectives. I fear there are many examples of the government's failure to properly manage the program, particularly in regional areas.

It is typical of this government that any concerns which are raised by opposition members are described—to quote from a response by the Minister for Education yesterday in question time—as ‘carping, moaning and criticism’. It is not carping, moaning and criticism; it is pointing out some faults in the program and the minister's need to intervene before the state governments waste millions of dollars of taxpayers' money.

Mr Pyne—Billions!

Mr CHESTER—Billions, even. Thank you, Member for Sturt. It is called being accountable to the parliament and being accountable to Australian taxpayers, who will be paying off the Rudd government debt for decades to come.

I like to think that I am a reasonable person, but, despite all the rhetoric we have heard today from the minister, she must understand by now that there is a problem. It relates to the value for money issue and the indecent haste with which this program is being implemented. To understand my concerns and the concerns of Gippsland builders, principals and teachers who have contacted my office, you need to consider the government's stated objectives for this program. The minister has never been one to hide her light under a bushel. I quote from her media release yesterday announcing round 2 of the primary schools program:

The Rudd Government is unashamedly undertaking the largest school modernisation program in Australia's history to support local jobs, stimulate every local economy and invest in important long-term infrastructure.

Yesterday in the chamber the minister said:

In particular, the Building the Education Revolution guidelines have required that, wherever it is possible, local tradespeople are engaged for the work.

Here is a newsflash for the minister: it is not quite working like that in Gippsland. The

money is being shovelled out the door in such indecent haste that many schools are not getting the chance to secure the infrastructure that they want, local builders are being excluded from tendering for the work and there are fears that many of my smaller schools will only receive a relocatable building. In many instances, it is the 'portable education revolution'—not exactly long-term infrastructure. There are not many jobs in regional areas from bolting a few portables together after they have been delivered on the back of a truck from the city.

To be fair to the minister, I know she does not trust the opposition, she does not believe the case studies that we have put forward and she certainly would not have been receiving any reports from her own backbench—they are too scared to speak out themselves. What are the chances of any regional MP in the Labor Party actually standing up for jobs in their electorates? It is just like the debate over the Carbon Pollution Reduction Scheme. They come in here like sheep and they bleat the party lines on other issues, but when it comes to the critical issue of jobs in regional communities it is the 'silence of the lambs'. We do not hear a peep out of them. What are the chances of regional MPs like the member for Dawson, the member for Flynn, the member for Leichhardt or the member for Page actually standing up for jobs in regional areas? It is hard to say. Rather than rely on her own backbench or take the word of opposition MPs, may I refer the minister to the editorial comments in Monday's edition of the *Bairnsdale Advertiser*. Under the headline 'Bureaucratic nonsense', the editor of this fine journal in the electorate of Gippsland had this to say:

The education building process, already criticised on other grounds by school principals, is bureaucratic nonsense.

With one hand the government set out to provide schools that will equip students for their

future employment needs. With the other hand they handicap local firms that can build the required facilities and at the same time provide much needed jobs for local school leavers. Governments are stifling local initiatives, discouraging local youth, and making a mockery of their claim to govern for all people.

What is it that has so riled the editor of the *Bairnsdale Advertiser*? In one instance, it is the government's outrageous betrayal of regional students in their gap year—but we will leave that topic for another day. Another issue that is frustrating the editor of the *Bairnsdale Advertiser* is the same issue that led local builders to speak out in the press. They are being prevented from even tendering for projects in their local areas. The very program that is meant to be creating local jobs is not even completely open to the local building industry.

I have spoken previously on this issue, but given the lack of response from the minister's office I will repeat the scenario for the minister's benefit. There are well-respected building firms in Bairnsdale which have successfully completed a range of significant public building works in the past for the department of education and other government agencies. Not surprisingly, these firms were offered the opportunity to tender for three projects in Gippsland under stage 1 of the primary schools program. The only problem is that the three projects were located in Foster, San Remo and Wonthaggi. These towns are not even in the Gippsland electorate and are about two to three hours drive away for these Bairnsdale based firms. Meanwhile, there is a multimillion dollar contract in Bairnsdale that the same firms have been excluded from tendering for as part of the stage 1 process.

I ask the House: what genius in the education department in Melbourne came up with this plan? Why won't the minister intervene to ensure that local traders have the opportu-

nity to tender for every local project? Most people have been reluctant to speak publicly about these decisions for fear of reprisals. They do not wish to have a black mark put against their company's name. They do not want to sound churlish or ungrateful for the investment of taxpayers' money, but they do want to achieve the best value for money and the best possible project for their school communities. I can assure the House, though, that I have been contacted by several local builders and at least 10 school principals who have all expressed concerns with the way this program is being managed. I do accept it as a huge program being rolled out right across Australia, but that is no excuse for cutting corners and abrogating our responsibility to achieve value for money. I think the state government in Victoria in particular is leading the minister up the garden path in relation to this whole project.

A couple of builders in my electorate have spoken out to the media. Michelle Brooker and Chris Banks both told the *Bairnsdale Advertiser* that they had been asked to tender for these jobs three hours away while missing out on the local work, about three minutes away, that they could easily service. Also, Warren Robinson of Dynamic Windows told the local press:

We've been denied access to participate. For instance if a portable classroom is established at a local school, it is manufactured in Melbourne. Our industry is in crisis and the stimulus package will not help our local businesses at all.

As I said at the outset, it is not with any great sense of triumph that I raise these concerns. My primary interest is to make sure that the taxpayers of Gippsland and across Australia receive value for money under this program and that my local schools get to build the best possible facilities with the funding that has been allocated to them. People in my electorate will be paying off this debt for many years to come, of course, and they

should expect maximum value in terms of support for local jobs and the quality of the facilities that are actually built. Unfortunately, in too many cases that is not what is occurring in Gippsland. I know of building firms in Sale and the Latrobe Valley which have been offered tenders in Orbost and Goongerah, three to four hours away, but the state government's program managers have indicated they will not even be asked to tender for schools which are literally around the corner. I am worried about the round 2 programs which have been announced this week and whether Gippsland and Latrobe Valley building firms will even have the opportunity to tender for more than \$20 million worth of work. It defies logic and it is completely contradictory to the minister's comments that local jobs would be supported in every region in Australia.

Mr Bidgood—They're certainly being supported in Dawson.

Mr CHESTER—Finally the member for Dawson has found his voice—a voice he cannot find on behalf of regional jobs on any other occasion.

Mr Bidgood interjecting—

The DEPUTY SPEAKER (Ms AE Burke)—The member for Dawson does not have the call.

Mr CHESTER—But, because of ridiculous haste, major mistakes have been made at every step of the process. I appeal to the minister to take the time to actually get it right. The tendering is being compressed into ridiculously short time frames and builders are telling me that the template designs are being changed, leaving program managers unsure about which building is actually being offered to each school, even within a week of when the tenders are due to close. As a result, builders are inflating their prices to cover contingencies and also to meet the travel and accommodation costs of moving

workers across the region. There seems to be a complete lack of understanding within the Victorian state government about the impact of the rollout of this program or the capacity of the local community to handle all the work at the same time.

We need to consider the regional implications of this program and whether the regional building industry can cope with the amount of work that is being shovelled out the door. Once you get an out-of-town firm coming into a smaller regional market to complete these jobs there is a complete distortion of the local market. You will end up with workers being taken from existing firms. It will destabilise the local workforce and profits will head straight out of town. The system that is being employed of packaging projects and then offering them for tenders is convenient for the government and may suit these ridiculous time frames but it will not deliver value for money or support local jobs. As much as there are issues with the tender process, value for money and the capacity of local builders to secure the work, there is also an issue with the facilities that are being offered.

I have mentioned already the concerns expressed to me by several smaller schools that there would be no local jobs created if all they receive is a portable building on the back of a truck. This is one of the most galling aspects of the program. It reflects the complete lack of understanding on the other side of the House of how our small communities actually work. If this money were made available to the school councils themselves they would use it to leverage off other fundraising activities and secure local traders who are sympathetic to the school's needs. Our country communities have a great capacity to stretch a dollar further. I am certain that we would end up with better quality projects and more value for money if small schools in particular have the chance to set

local priorities. Trusting local school councils to deliver local solutions to their own problems would be a far better approach than that being undertaken by the government.

Schools in my electorate which are entitled to much larger sums of money—up to \$2 million and \$3 million—are being pressured to accept template designs which do not meet their needs. As I have previously told the House, when the Prime Minister talks about shovel-ready it means 'shovel the money out the door and cross your fingers that some of the projects actually hit the mark'. There should be a more strategic approach to this program. Our local communities should have more control. I urge the minister to take the time to get it right. (*Time expired*)

Ms BIRD (Cunningham) (4.32 pm)—It is with great pleasure that I rise to support the minister on this matter of public importance today. I acknowledge that the shadow minister who was at the table spoke with great passion in his contribution to his MPI. It is a sad reflection, however, when that passion cannot be applied to supporting education in this country instead of carping and carrying on about stories that have been running in the national papers. They obviously provide him with criticisms of the program and direct his questions in question time.

The reality is that, in communities right across the country, the most unprecedented and significant investment in capital infrastructure in schools that we have ever seen is going on. Any member of this House who has been to their local schools over recent years would know that the first things that they want to show you are problems that they have with leaking roofs, carpeting that is no longer sufficient or safe in the provision of schooling for the children, and buildings that are inadequate to the modern needs of curriculum, and they cry out for investment in the capital that the schools need. The gov-

ernment, in response to the global economic crisis, determined to inject funding and activity into communities right across the country. There could be no better way to do that than through our schooling system. That is exactly what this program has set out to do.

I understand that there may be individual cases where members would have concerns about how that was being applied. Contrary to the member for Gippsland's contribution just then, there are many members in this House who have talked to their local schools and local builders and have worked to ensure that the program actually works on the ground in the way intended. Indeed, in my own area, the member for Throsby and I, the moment that an overarching contractor was appointed, arranged to meet with him. We talked to him about our expectation of local work being provided to support jobs in our region. We have a region under a great deal of stress due to the decisions of Pacific Brands and the downturn's impact on the steel and coal industries. So, clearly like any member of this House—and contrary to what the member for Gippsland claims in his speech—we have a concern about local jobs.

We do not come in here and carp about problems; we actually met with the overarching contractor, made our expectations clear, got commitments from him about the employment of apprentices and Indigenous people in that job creation process and got commitments from him to report back to us about the local contractors that were allocated work. Indeed, only recently he has indicated to us that he has had 350 applications of interest from local builders in our region to work on these projects. That is a tremendous outcome. It is the sort of program rolling out across the nation that one would think local members would be pleased to see happening in their local area. The program not only supports local jobs but also supports the employment of apprentices and trainees

at a time when their opportunities are under severe threat. But of course, no, we do not hear any of that from the other side. Not surprisingly, given the construct of this MPI and the opposition's concern about the management of the program, they did not even support the program in the first place.

Members opposite have talked about some of the guidelines around the rollout of this program. I forgive the member for Gippsland because he was not here in the previous parliament, but if he had been I hope he would have been honest enough in today's contribution to recognise the fact that there were schools in my area that had to unveil flag poles and plaques for Investing in our Schools projects that were mortally embarrassed by the fact that they could not even invite me to attend those particular events because the Liberal senator had to be invited.

I am a fair person. I think it is reasonable that if the federal government has a program that it is funding—which this side of the House did not vote against, unlike this current program—a government member comes along and does the officiating. I would have thought that, as the local member, out of respect to the people who elected me, there would not have been a problem with at least inviting me to come along and participate, but that was prohibited under its program. I say to those opposite that, if they are keen to be a part of this program, it would have been nice, firstly, for them to have voted for it—but we will let that pass—and, secondly, that they did something constructive such as talk to the overarching contractors, talk to the local school authorities, make it clear what the intention of the program is and what they expect to get out of it and support it rolling out. But, not surprisingly, instead of that we get opportunism. Those opposite come into this place picking the problems that may arise and indicating that this is somehow a massive failure of the largest investment that

our schooling system has seen in anybody's lifetime.

I am very passionate about the schooling we provide for our young people. I think a very important part of that is the environment you provide for children to attend schools in. If you send kids to schools that are run down, that are getting dilapidated, that have an unattractive environment to be in, you as a community are sending a message to them about how you value that education. In this country, we saw a massive building program of new schools to deal with the baby boomer generation. Not surprisingly, given that that rollout occurred in the 1950s and 1960s, we are now seeing a massive demand on maintenance and extension requirements in our schooling system. We are being part of the solution to that demand. We are ensuring through this program that our schools provide environments that are welcoming and conducive to a modern curriculum and that they are well provided with technology that best positions our young people to get the education they will need for their future. It would be really nice for once to see the passion of those opposite applied to encouraging and supporting this sort of commitment and prioritising of education for our young people rather than the sort of negativity that we consistently see about these programs.

The member for Gippsland has a concern about whether those on this side of the House speak up, so I am going to speak up. In my area, I have 51 primary schools and 11 high schools and I acknowledge that in my area, under the first round of the National School Pride Program, just over \$4 million went into those schools for a range of maintenance and upgrade programs, which was very welcome. Under the second round, just under \$4.5 million went into my local schools, which was also very welcome. Even better, under Primary Schools for the 21st

Century, there was just under \$28 million in the first round and nearly \$47 million in the second round. Unprecedented amounts of money are being spent in schools in my area. It eclipses the Investing in Our Schools Program that those on the other side squealed so loudly about when we took government. Their own program was a three-year program that had run out and they were upset that we were not renewing it. I say to them that if they were so concerned about that program not being renewed they should have jumped with glee when both the National School Pride Program and Primary Schools of the 21st Century were put in place. Certainly, that is the reaction in my own area.

For the information of the member for Gippsland, since he wanted to quote some of his local constituents in the media, can I just quote Sharon and Michael. They do not actually live in my local area; they live in Woronora which is, I think, in the member for Cook's seat. They sent me an email which says:

Dear Sharon,

Yesterday, my wife and I attended our grandson's open day at Coledale public school. It is a very small school with only four or five classrooms, a library about the size of your average kitchen, a staffroom the size of a bathroom for five or six teachers. Sick bay is a fold-up bed in the corridor. During the assembly, the headmistress, Mrs Bradley, was proud to announce that as a result of the Rudd government's stimulus package, Coledale public school will have a new, freestanding library constructed before this Christmas. This will provide additional space in the existing building for a proper sick bay and improvements to the staffroom. Only weeks after the announcement of stage three of the stimulus package, the builders, surveyors et cetera have already been on site and plans approved. Not only jobs for local tradies but the kids will now have a proper library, the most important source of information in every learning institution and community.

Good on you, Sharon, and thank you Prime Minister, Mr Kevin Rudd.

That is the reality; that is what is happening in our communities under this program. *(Time expired)*

The DEPUTY SPEAKER (Hon. Peter Slipper)—I would gently remind the honourable member that the correct means of referring to male occupants of the chair who are not the Speaker or the Deputy Speaker is as Mr Deputy Speaker. If it happens to be a female deputy speaker, one refers to her as Madam Deputy Speaker.

Ms MARINO (Forrest) (4.43 pm)—As the shadow minister, the member for Sturt, said, no-one begrudges schools improving their facilities. However, with a record debt of \$318 billion and with this particular program costing \$14.7 billion, it is certainly our role on this side of the House to ensure that every one of those taxpayer dollars is spent extremely wisely and to the extent that they were meant. The fact that we have waste and mismanagement in this program has been highlighted by the members speaking prior to me. As I said, these are \$14.7 billion of taxpayer funds, and we have a very clear responsibility to taxpayers. One example of the mismanagement we have seen in the past, which was highlighted earlier, is the Computers in Schools Program. The computers are still in boxes. The original announcement included no funding for cabling, installation, staff training or ongoing electricity costs. The program delivered only part of the cost for those computers in schools. This came at a huge cost to state governments and schools alike. There are new schools in my electorate that cannot and do not qualify for that particular program, even though they have a 1:5 ratio of computers to students, far below the 1:2 ratio the government committed to. But, of course, under the government guidelines they are ineligible for funding under the program.

Last week, I was visited by two principals who are very concerned about the conditions of that particular program and their exclusion from it. The condition of the Building the Education Revolution which prevents comments from principals and boards is of great concern, particularly for regional areas. I can certainly understand why the shadow minister has requested the Attorney-General to investigate the government's taxpayer funded expenditure on this program. I am also very concerned, as is the member beside me, the member for Gippsland, about jobs for regional local businesses—a critical part of this, as the member expressed very succinctly. We heard today in the House how a builder was a contender for a BER project three hours from his location but not for a project three minutes away. This is one simple example of the waste and mismanagement.

One of the Prime Minister's own infrastructure advisers has slammed this program. Schools in some areas that need new classrooms have been told they have to build a standard school hall even when the school already has one. Yesterday in question time we heard the minister concede that funds could be spent on air-conditioned buildings being constructed but not on upgrading existing buildings—a very significant issue for remote and regional schools, schools which we on this side of the House understand very well and schools which would have qualified under the coalition's Investing in Our Schools Program.

When Building the Education Revolution was announced, the Prime Minister and Deputy Prime Minister promised that every Australian school would be eligible for the funding, which would be used for maintenance and renewal of school buildings and minor building work, but, as we know, that is not what is happening. Many schools, as we keep hearing, are encountering problems

with the program. Schools are being forced to direct funds towards projects that do not address their needs or those of their area, nor improve the education standards of their students. We have noticed an article in the *Australian* talking about an Adelaide school whose children have to finish early in summer because they need air conditioning. That school is precluded from achieving that by this program—a very real issue if you are in one of those schools.

We are hearing complaints from school boards that they cannot negotiate their own deals and appoint their own tradesmen, another issue highlighted by the member for Gippsland. And not allowing schools to modify designs for their individual local needs or to appoint their own local contracts really compromises the benefits in those local and regional areas. The minister has to redress these issues. Many schools will receive what they do not need—a demountable, from the back of a truck, with a design which has no relevance to the school's needs. Scrutiny by those on this side of the House of a \$14.7 billion taxpayer funded program is appropriate. I commend the shadow minister for recommending this matter to the Attorney-General for further scrutiny.

Ms COLLINS (Franklin) (4.48 pm)—I cannot believe the hypocrisy of those opposite when it comes to the accountability for taxpayers' dollars. We can see clearly on the dispatch box in front of me two inches of Auditor-General's reports about the rorts those opposite were responsible for under the Regional Partnerships program. They went on forever and ever. We heard about companies which went bust and kept the money. We heard about money going into National Party seats. Those rorts went on and on and the lack of accountability for taxpayers' money was just unbelievable.

I also want to talk about the shadow minister for education's comments during this MPI and during the last few question times. It has been made very clear by the Deputy Prime Minister and Minister for Education that the shadow minister has one policy on education—that is, to spend less. We have called on the opposition to come into this House to tell us which schools they think do not deserve money under Building the Education Revolution. Clearly, they believe that fewer schools should be receiving money, that schools already have adequate facilities. In my electorate of Franklin, I know that that is not the case. I have been around virtually every school in my electorate. I have contacted every school more than once to talk to them about projects under Building the Education Revolution. I have talked to school communities, to parents and friends and to principals about the investment this government is making in the largest school modernisation program in Australia's history. All the principals and all the parents and friends I talk to in the electorate of Franklin say one thing about Building the Education Revolution—that it is fantastic. They cannot spend the money fast enough.

Under the National School Pride Program one of my schools has already substantially undertaken the work. I have heard from tradesmen in my electorate. In fact, in the last few weeks there was a four-page spread in our local newspaper from Mitre 10 saying that they will be opening a new trade centre due to the federal government's stimulus National Building and Jobs Plan. I welcome that new centre. My office contacted the company and I am going to have a talk to them about their investment, which is a direct result of this government's investment in Building the Education Revolution and in other national-building investments going on in Franklin.

Those opposite show unbelievable hypocrisy when they nitpick, whinge and moan about Building the Education Revolution and how it is being implemented when they voted against it. They seem to forget there is currently a global financial crisis. They seem to forget that this program is about stimulating local economies and providing jobs in rural and regional areas right across this nation. To say that the government do not know and that we have not spoken to people in our electorate is absolutely untrue. Every member I know on this side of the House has been contacting their schools and principals, and their state governments, to ensure that this money has been delivered as was intended—that is, as quickly as possible while supporting local jobs. That is what is happening in my electorate of Franklin, in Tasmania and around the nation.

This government is serious about the stimulating effect the Building the Education Revolution is supposed to be having—and certainly is having in my electorate and in other electorates around the country. I am really pleased and proud to be supporting the Deputy Prime Minister, the Minister for Education, today on Building the Education Revolution and to be talking about what a wonderful investment in local schools it is. I certainly support it. I know my local communities support it, my principals support it, local school communities support it and the parents and friends support it. Certainly, the architects, the tradesmen and the other building and project people involved in the rollout of Building the Education Revolution all support it. It is a large program. With over 9,500 schools across the country and 23,000 projects in schools, of course there are going to be some minor hiccups along the way. Anybody who has ever renovated a home knows that nothing goes perfectly all of the time.

The DEPUTY SPEAKER (Hon. Peter Slipper)—Order! It being 4.53 pm, the time for discussion on this matter has concluded.

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

Report from Main Committee

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

Ordered that this bill be considered immediately.

Bill agreed to.

Third Reading

Mr BURKE (Watson—Minister for Agriculture, Fisheries and Forestry) (4.54 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

**NATIONAL HEALTH AMENDMENT
(PHARMACEUTICAL AND OTHER
BENEFITS—COST RECOVERY) BILL
2008 [No. 2]**

Consideration of Senate Message

Bill returned from the Senate with amendments.

Ordered that the amendments be considered immediately.

Senate's amendments—

(1) Schedule 1, item 1, page 3 (after line 19), at

Subdivision D provides that the Minister must cause a review to be undertaken of the impact of cost-recovery measures provided for under this Division and any regulations made under this Division, and must table an annual report on related processes.

the end of section 99YB, add:

- (2) Schedule 1, item 1, page 5 (after line 5), at the end of Division 4C, add:

Subdivision D—Review of cost-recovery measures

99YBC Review of impact of cost-recovery measures

Review

- (1) The Minister must cause an independent review of the impact of cost-recovery measures provided for under this Division and any regulations made under this Division to be undertaken as soon as possible after the second anniversary of the commencement of this Division and completed within 4 months of that anniversary.
- (2) The review must report on:
- (a) the average number of times a submission is presented before gaining approval and the reasons provided for requiring applicants to resubmit;
 - (b) the average fee for submissions by type of submission (major/minor/generic according to Department of Health and Ageing classifications);
 - (c) the number of applications where the population is likely to be small and utilisation of the drug, medicinal preparation or vaccine is likely to be highly targeted;
 - (d) the number of reviews requested by applicants;
 - (e) the number of fee waivers given to applicants and the reasons why waivers were given;
 - (f) the length of time taken for submissions to be approved;
 - (g) the number of applications that fail to gain a listing, the reasons why and the types of drugs concerned;
 - (h) any increase in operating costs of the Pharmaceutical Benefits Advisory Committee;
- (i) any increase in the cost of pharmaceutical benefits scheme medications to patients;
 - (j) any other matters considered relevant.
- (3) The review must be conducted by a panel which must comprise not less than five persons, including:
- (a) a medical professional nominated by the Minister;
 - (b) a nominee of the Consumers Health Forum of Australia;
 - (c) three other persons nominated by the Minister, each of whom must have relevant professional qualifications and must not be employed within the pharmaceuticals industry.
- (4) The panel must give the Minister a written report of the review, and the Minister must cause a copy of the report to be tabled in each House of the Parliament within 15 sitting days of receiving the report.
- Annual report on processes*
- (5) The Secretary must, as soon as practicable after 30 June in each year, prepare and give to the Minister a report on processes leading up to the Pharmaceutical Benefits Advisory Committee consideration, including:
- (a) the extent and timeliness with which responsible persons are provided copies of documents relevant to their submission to the Pharmaceutical Benefits Advisory Committee;
 - (b) the extent to which responsible persons exercise their right to comment on these documents, including appearing at hearings before the Pharmaceutical Benefits Advisory Committee;
 - (c) the number of responsible persons seeking a review of a Pharmaceutical Benefits Advisory Committee recommendation.
- (6) The Minister must cause a copy of each report prepared under subsection (5) to

be tabled in each House of the Parliament within 15 sitting days of receiving the report.

Mr BURKE (Watson—Minister for Agriculture, Fisheries and Forestry) (4.55 pm)—I move:

That the amendments be agreed to.

Question agreed to.

**TRADE PRACTICES AMENDMENT
(CARTEL CONDUCT AND OTHER
MEASURES) BILL 2008**

Consideration of Senate Message

Bill returned from the Senate with amendments.

Ordered that the amendments be considered immediately.

Senate's amendments—

- (1) Schedule 1, item 19, page 21 (line 21), after “Note”, insert “1”.
- (2) Schedule 1, item 19, page 21 (after line 22), at the end of subsection 44ZZRO(1), add:

Note 2: For example, if a joint venture formed for the purpose of research and development provides the results of its research and development to participants in the joint venture, it may be a joint venture for the supply of services.

- (3) Schedule 1, item 19, page 21 (before line 23), before subsection 44ZZRO(2), insert:
 - (1A) Section 44ZZRF does not apply in relation to an arrangement or understanding containing a cartel provision if:
 - (a) the arrangement or understanding is not a contract; and
 - (b) when the arrangement was made, or the understanding was arrived at, each party to the arrangement or understanding:
 - (i) intended the arrangement or understanding to be a contract; and

- (ii) reasonably believed that the arrangement or understanding was a contract; and
- (c) the cartel provision is for the purposes of a joint venture; and
- (d) the joint venture is for the production and/or supply of goods or services; and
- (e) in a case where subparagraph 4J(a)(i) applies to the joint venture—the joint venture is carried on jointly by the parties to the arrangement or understanding; and
- (f) in a case where subparagraph 4J(a)(ii) applies to the joint venture—the joint venture is carried on by a body corporate formed by the parties to the arrangement or understanding for the purpose of enabling those parties to carry on the activity mentioned in paragraph (d) jointly by means of:
 - (i) their joint control; or
 - (ii) their ownership of shares in the capital;

of that body corporate.

Note 1: A defendant bears an evidential burden in relation to the matter in subsection (1A) (see subsection 13.3(3) of the *Criminal Code*).

Note 2: For example, if a joint venture formed for the purpose of research and development provides the results of its research and development to participants in the joint venture, it may be a joint venture for the supply of services.

- (1B) Section 44ZZRG does not apply in relation to giving effect to a cartel provision contained in an arrangement or understanding if:
 - (a) the arrangement or understanding is not a contract; and
 - (b) when the arrangement was made, or the understanding was arrived at,

- each party to the arrangement or understanding:
- (i) intended the arrangement or understanding to be a contract; and
 - (ii) reasonably believed that the arrangement or understanding was a contract; and
- (c) when the cartel provision was given effect to, each party to the arrangement or understanding reasonably believed that the arrangement or understanding was a contract; and
- (d) the cartel provision is for the purposes of a joint venture; and
- (e) the joint venture is for the production and/or supply of goods or services; and
- (f) in a case where subparagraph 4J(a)(i) applies to the joint venture—the joint venture is carried on jointly by the parties to the arrangement or understanding; and
- (g) in a case where subparagraph 4J(a)(ii) applies to the joint venture—the joint venture is carried on by a body corporate formed by the parties to the arrangement or understanding for the purpose of enabling those parties to carry on the activity mentioned in paragraph (e) jointly by means of:
- (i) their joint control; or
 - (ii) their ownership of shares in the capital;
- of that body corporate.
- Note 1: A defendant bears an evidential burden in relation to the matter in subsection (1B) (see subsection 13.3(3) of the *Criminal Code*).
- Note 2: For example, if a joint venture formed for the purpose of research and development provides the results of its research and development to participants in the joint venture, it may be a joint venture for the supply of services.
- (4) Schedule 1, item 19, page 21 (line 24), after “subsection (1)”, insert “, (1A) or (1B)”.
 - (5) Schedule 1, item 19, page 21 (line 30), after “subsection (1)”, insert “, (1A) or (1B), as the case may be”.
 - (6) Schedule 1, item 19, page 21 (line 34), after “subsection (1)”, insert “, (1A) or (1B), as the case may be”.
 - (7) Schedule 1, item 19, page 22 (line 2), after “subsection (1)”, insert “, (1A) or (1B), as the case may be”.
 - (8) Schedule 1, item 19, page 22 (after line 28), at the end of subsection 44ZZRP(1), add:
 - Note: For example, if a joint venture formed for the purpose of research and development provides the results of its research and development to participants in the joint venture, it may be a joint venture for the supply of services.
 - (9) Schedule 1, item 19, page 22 (before line 29), before subsection 44ZZRP(2), insert:
 - (1A) Section 44ZZRJ does not apply in relation to an arrangement or understanding containing a cartel provision if:
 - (a) the arrangement or understanding is not a contract; and
 - (b) when the arrangement was made, or the understanding was arrived at, each party to the arrangement or understanding:
 - (i) intended the arrangement or understanding to be a contract; and
 - (ii) reasonably believed that the arrangement or understanding was a contract; and
 - (c) the cartel provision is for the purposes of a joint venture; and
 - (d) the joint venture is for the production and/or supply of goods or services; and
 - (e) in a case where subparagraph 4J(a)(i) applies to the joint ven-

ture—the joint venture is carried on jointly by the parties to the arrangement or understanding; and

- (f) in a case where subparagraph 4J(a)(ii) applies to the joint venture—the joint venture is carried on by a body corporate formed by the parties to the arrangement or understanding for the purpose of enabling those parties to carry on the activity mentioned in paragraph (d) jointly by means of:

- (i) their joint control; or
(ii) their ownership of shares in the capital;

of that body corporate.

Note: For example, if a joint venture formed for the purpose of research and development provides the results of its research and development to participants in the joint venture, it may be a joint venture for the supply of services.

- (1B) Section 44ZZRK does not apply in relation to giving effect to a cartel provision contained in an arrangement or understanding if:

- (a) the arrangement or understanding is not a contract; and
(b) when the arrangement was made, or the understanding was arrived at, each party to the arrangement or understanding:
- (i) intended the arrangement or understanding to be a contract; and
(ii) reasonably believed that the arrangement or understanding was a contract; and

- (c) when the cartel provision was given effect to, each party to the arrangement or understanding reasonably believed that the arrangement or understanding was a contract; and

- (d) the cartel provision is for the purposes of a joint venture; and

- (e) the joint venture is for the production and/or supply of goods or services; and

- (f) in a case where subparagraph 4J(a)(i) applies to the joint venture—the joint venture is carried on jointly by the parties to the arrangement or understanding; and

- (g) in a case where subparagraph 4J(a)(ii) applies to the joint venture—the joint venture is carried on by a body corporate formed by the parties to the arrangement or understanding for the purpose of enabling those parties to carry on the activity mentioned in paragraph (e) jointly by means of:

- (i) their joint control; or
(ii) their ownership of shares in the capital;

of that body corporate.

Note: For example, if a joint venture formed for the purpose of research and development provides the results of its research and development to participants in the joint venture, it may be a joint venture for the supply of services.

- (10) Schedule 1, item 19, page 22 (line 29), after “subsection (1)”, insert “, (1A) or (1B)”.

- (11) Schedule 1, item 126, page 67 (after line 29), at the end of subsection 44ZZRO(1), add:

Note: For example, if a joint venture formed for the purpose of research and development provides the results of its research and development to participants in the joint venture, it may be a joint venture for the supply of services.

- (12) Schedule 1, item 126, page 67 (before line 30), before subsection 44ZZRO(2), insert:

- (1A) Section 44ZZRF does not apply in relation to an arrangement or understanding containing a cartel provision if:

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| <p>(a) the arrangement or understanding is not a contract; and</p> <p>(b) when the arrangement was made, or the understanding was arrived at, each party to the arrangement or understanding:</p> <p style="padding-left: 20px;">(i) intended the arrangement or understanding to be a contract; and</p> <p style="padding-left: 20px;">(ii) reasonably believed that the arrangement or understanding was a contract; and</p> <p>(c) the cartel provision is for the purposes of a joint venture; and</p> <p>(d) the joint venture is for the production and/or supply of goods or services; and</p> <p>(e) in a case where subparagraph 4J(a)(i) applies to the joint venture—the joint venture is carried on jointly by the parties to the arrangement or understanding; and</p> <p>(f) in a case where subparagraph 4J(a)(ii) applies to the joint venture—the joint venture is carried on by a body corporate formed by the parties to the arrangement or understanding for the purpose of enabling those parties to carry on the activity mentioned in paragraph (d) jointly by means of:</p> <p style="padding-left: 20px;">(i) their joint control; or</p> <p style="padding-left: 20px;">(ii) their ownership of shares in the capital;</p> <p style="padding-left: 40px;">of that body corporate.</p> <p>Note: For example, if a joint venture formed for the purpose of research and development provides the results of its research and development to participants in the joint venture, it may be a joint venture for the supply of services.</p> <p>(1B) Section 44ZZRG does not apply in relation to giving effect to a cartel provision contained in an arrangement or understanding if:</p> | <p>(a) the arrangement or understanding is not a contract; and</p> <p>(b) when the arrangement was made, or the understanding was arrived at, each party to the arrangement or understanding:</p> <p style="padding-left: 20px;">(i) intended the arrangement or understanding to be a contract; and</p> <p style="padding-left: 20px;">(ii) reasonably believed that the arrangement or understanding was a contract; and</p> <p>(c) when the cartel provision was given effect to, each party to the arrangement or understanding reasonably believed that the arrangement or understanding was a contract; and</p> <p>(d) the cartel provision is for the purposes of a joint venture; and</p> <p>(e) the joint venture is for the production and/or supply of goods or services; and</p> <p>(f) in a case where subparagraph 4J(a)(i) applies to the joint venture—the joint venture is carried on jointly by the parties to the arrangement or understanding; and</p> <p>(g) in a case where subparagraph 4J(a)(ii) applies to the joint venture—the joint venture is carried on by a body corporate formed by the parties to the arrangement or understanding for the purpose of enabling those parties to carry on the activity mentioned in paragraph (e) jointly by means of:</p> <p style="padding-left: 20px;">(i) their joint control; or</p> <p style="padding-left: 20px;">(ii) their ownership of shares in the capital;</p> <p style="padding-left: 40px;">of that body corporate.</p> <p>Note: For example, if a joint venture formed for the purpose of research and development provides the results of its research and development to participants in the joint venture, it may be a joint venture for the supply of services.</p> |
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- (13) Schedule 1, item 126, page 67 (line 30), after “subsection (1)”, insert “, (1A) or (1B)”.
- (14) Schedule 1, item 126, page 68 (line 2), after “subsection (1)”, insert “, (1A) or (1B)”.
- (15) Schedule 1, item 126, page 68 (line 8), after “subsection (1)”, insert “, (1A) or (1B), as the case may be”.
- (16) Schedule 1, item 126, page 68 (line 12), after “subsection (1)”, insert “, (1A) or (1B), as the case may be”.
- (17) Schedule 1, item 126, page 68 (line 16), after “subsection (1)”, insert “, (1A) or (1B), as the case may be”.
- (18) Schedule 1, item 126, page 69 (after line 6), at the end of subsection 44ZZRP(1), add:
- Note: For example, if a joint venture formed for the purpose of research and development provides the results of its research and development to participants in the joint venture, it may be a joint venture for the supply of services.
- (19) Schedule 1, item 126, page 69 (before line 7), before subsection 44ZZRP(2), insert:
- (1A) Section 44ZZRJ does not apply in relation to an arrangement or understanding containing a cartel provision if:
- (a) the arrangement or understanding is not a contract; and
 - (b) when the arrangement was made, or the understanding was arrived at, each party to the arrangement or understanding:
 - (i) intended the arrangement or understanding to be a contract; and
 - (ii) reasonably believed that the arrangement or understanding was a contract; and
 - (c) the cartel provision is for the purposes of a joint venture; and
 - (d) the joint venture is for the production and/or supply of goods or services; and
- (e) in a case where subparagraph 4J(a)(i) applies to the joint venture—the joint venture is carried on jointly by the parties to the arrangement or understanding; and
- (f) in a case where subparagraph 4J(a)(ii) applies to the joint venture—the joint venture is carried on by a body corporate formed by the parties to the arrangement or understanding for the purpose of enabling those parties to carry on the activity mentioned in paragraph (d) jointly by means of:
- (i) their joint control; or
 - (ii) their ownership of shares in the capital;

of that body corporate.
- Note: For example, if a joint venture formed for the purpose of research and development provides the results of its research and development to participants in the joint venture, it may be a joint venture for the supply of services.
- (1B) Section 44ZZRK does not apply in relation to giving effect to a cartel provision contained in an arrangement or understanding if:
- (a) the arrangement or understanding is not a contract; and
 - (b) when the arrangement was made, or the understanding was arrived at, each party to the arrangement or understanding:
 - (i) intended the arrangement or understanding to be a contract; and
 - (ii) reasonably believed that the arrangement or understanding was a contract; and
 - (c) when the cartel provision was given effect to, each party to the arrangement or understanding reasonably believed that the arrangement or understanding was a contract; and

- (d) the cartel provision is for the purposes of a joint venture; and
- (e) the joint venture is for the production and/or supply of goods or services; and
- (f) in a case where subparagraph 4J(a)(i) applies to the joint venture—the joint venture is carried on jointly by the parties to the arrangement or understanding; and
- (g) in a case where subparagraph 4J(a)(ii) applies to the joint venture—the joint venture is carried on by a body corporate formed by the parties to the arrangement or understanding for the purpose of enabling those parties to carry on the activity mentioned in paragraph (e) jointly by means of:
 - (i) their joint control; or
 - (ii) their ownership of shares in the capital;
 of that body corporate.

Note: For example, if a joint venture formed for the purpose of research and development provides the results of its research and development to participants in the joint venture, it may be a joint venture for the supply of services.

(20) Schedule 1, item 126, page 69 (line 7), after “subsection (1)”, insert “, (1A) or (1B)”.

Mr BURKE (Watson—Minister for Agriculture, Fisheries and Forestry) (4.56 pm)—I move:

That the amendments be agreed to.

Question agreed to.

**SOCIAL SECURITY AND OTHER
LEGISLATION AMENDMENT
(AUSTRALIAN APPRENTICES)
BILL 2009**

Second Reading

Debate resumed from 15 June, on motion by **Ms Gillard**:

That this bill be now read a second time.

Mr TREVOR (Flynn) (4.56 pm)—I rise tonight to address the Social Security and Other Legislation Amendment (Australian Apprentices) Bill 2009, which seeks to benefit Australian apprentices who are eligible to receive payments under two new Australian government programs—Skills for Sustainability for Australian Apprentices and Tools For Your Trade—under the Australian Apprenticeships Incentives Program. This bill ensures that eligible Australian apprentices receive the full benefit of the payments without deductions. The bill makes minor adjustments to the Income Tax Assessment Act 1997, the Social Security Act 1991 and the Veterans’ Entitlements Act 1986 to exempt from taxation and treatment as taxable income payments made to Australian apprentices under the two programs. In addition, this bill exempts the value of the payments made under the Skills for Sustainability for Australian Apprentices and Tools For Your Trade under the Australian Apprenticeships Incentives Program from treatment as assessable income for taxation, social security and veterans affairs purposes. The amendments ensure that eligible Australian apprentices receive the full benefit of the payments made under the two new programs and are consistent with the taxation treatment of previous programs that have paid personal benefits to Australian apprentices.

The Skills for Sustainability for Australian Apprentices payment is a pilot program within the Skills for the Carbon Challenge initiative. This initiative is an outcome of the Australia 2020 Summit and aims to accelerate the response of industry and the tertiary education sector to climate change. To encourage Australian apprenticeships to undertake sustainability related training, payment of \$1,000 will be provided to eligible Australian apprentices who have successfully completed the required level of training, which

teaches skills in sustainability and environmentally sustainable work practices.

The Tools for Your Trade payment, within the broader Australian Apprenticeships Incentives Program, combines and extends three administratively complex programs previously available to Australian apprentices into the one payment. This new payment comprises five separate cash payments totalling \$3,800 paid over the life of the Australian Apprenticeship. The new arrangements reduce the administrative burden on employers and broaden eligibility criteria, benefiting more Australian apprentices and ensuring that Australian apprentices in skills shortage trades are eligible for the same level of financial support regardless of age and employer size. These two new programs represent significant measures that encourage Australian apprentices to develop skills in sustainable buildings and industry and ease the financial burden for Australian apprentices undertaking Australian Apprenticeships in areas of national skills shortage.

One organisation that is doing wonderful work for apprentices is Gladstone Area Group Apprentices Ltd. This company is situated in my home town of Gladstone, Queensland, in the electorate of Flynn. Since their inception in 1985 Gladstone Area Group Apprentices Ltd, commonly known as GAGAL, has facilitated skills development through the employment and training of apprentices and trainees to service the needs of my community of Flynn. Today this community includes the Banana, Miriam Vale, Calliope and Duaranga shires as well as Gladstone city, where they employ over 450 apprentices and trainees. A group training organisation or GTO like GAGAL offers a comprehensive service for both employers and potential employees. Through the coordination of apprenticeships and traineeships, job seekers are able to regain recognised skills and qualifications that will create the

foundations for a lifelong career in their chosen trade. For the business community of Flynn, GAGAL is able to provide a strong support network for employing apprentices and trainees without having to commit to the full term of training. This leads to a more diverse and exciting training period for the employee, while allowing greater flexibility and freedom for the host employer.

The Central Queensland area traditionally has a high demand for trades in the manufacturing and construction industries and GAGAL offers apprenticeship opportunities in 20 different trade classifications from boilermaking to carpentry. Its traineeship programs also cover a wide variety of categories, including business, retail and horticulture. All of the field officers come from within these fields, and their years of industry and business experience provide invaluable support for their apprentices and trainees. GAGAL works closely with business and industry interests in the area and has established close relationships with major employers in my electorate such as Anglo Coal, Bechtel and BMA Blackwater Mine. GAGAL also offers school based apprenticeships and traineeships that allow high school students to develop skills and acquire qualifications while continuing their secondary studies. It should be noted that in 1997 GAGAL initiated the first school based apprenticeship program with the commencement of 11 apprentices in metal fabrication. The outstanding and overwhelming success of this program and the interest it generated have seen school based training grow exponentially across the nation. Today thousands of students undertake school based apprenticeships and traineeships in every state and territory in Australia.

GAGAL has constructed hundreds of houses, duplexes and units across the area, including important community projects like the Roseberry House Youth Shelter in Glad-

stone. GAGAL was integral in the formation of GAGAL Biloele, set up in 1997 to service the growing number of apprentices in the Callide and Dawson valleys district. GAGAL established GAGAL Blackwater in 2005 to further improve services to their major host, BMA Blackwater Mine.

The GAGAL pre-employment program is designed to assist disadvantaged Indigenous community members into the workforce. The program is funded through the Department of Education, Employment and Workplace Relations and works one to one to ensure that participants are job ready and able to take up full-time employment at the end of the program. Participants are encouraged into apprenticeship opportunities as and when they become available. GAGAL continues to maintain its commitment to the Central Queensland Indigenous community and has overseen a number of very successful Indigenous employment programs. GAGAL Pre-Employment is a pre-employment program with a difference, offering Indigenous participants individually tailored training packages covering all aspects from removing barriers to obtaining gainful employment. Participants are required to be registered with or eligible for Centrelink assistance and to be currently unemployed with a desire to obtain employment. Throughout the program, and depending on individual needs, participants in small groups for six weeks are provided with formal and informal training in areas such as cultural safety, health and fitness, certificate II in life skills, numeracy and literacy, drugs and alcohol, goal setting, confidence and self-esteem.

Skills for Sustainability for Australian Apprentices is an outcome, as I said earlier tonight, of the Australia 2020 Summit. It aims to accelerate industry's and the tertiary education sector's responses to climate change by providing practical incentives for

industry to focus on developing skills for sustainability. The incentives contained in the Skills for Sustainability measure are designed to encourage employers and Australian apprentices in selected National Skills Needs List occupations to undertake a threshold level of sustainability related training. The goal is to develop an appropriately skilled workforce that can meet the rising demand for sustainable buildings, technologies and industries.

The new Tools for Your Trade payment represents a substantial improvement on previous arrangements for both Australian apprentices and their employers. Under the previous arrangements, Australian apprentices were required to claim the three payments from two different providers. As each of the programs had different eligibility criteria, Australian apprentices in the same occupation may have received different levels of financial support based on criteria outside their control such as age or the size of their employers. The new Tools for Your Trade payment addresses these inequities and inefficiencies. The streamlined delivery arrangements also remove unnecessary red tape. The new Tools for Your Trade payment program will include agricultural apprentices and trainees in rural and regional Australia, horticultural apprentices and trainees, furthering the Rudd Labor government's commitment to the rural people of my community of Flynn and Australia generally. I commend this bill to the House.

Mr BRADBURY (Lindsay) (5.08 pm)—I rise in support of the Social Security and Other Legislation Amendment (Australian Apprentices) Bill 2009. The substance of the bill goes to the tax exemption which is to be provided in respect of two payments, payments that are made under the Skills for Sustainability for Australian Apprentices program and payments made under the Tools for Your Trade program. It brings together a

number of programs in respect of the Tools for Your Trade program. Apart from treating payments made under these programs as being exempt from income tax, these payments will also be disregarded for the purposes of social security and veterans affairs legislation when it comes to the income test which would otherwise apply there.

The Skills for Sustainability for Australian Apprentices program had its origins back at the Australia 2020 Summit. As a result of discussions at that summit, it was decided that an appropriate way forward in trying to expedite both industry and the tertiary education sectors' preparations for developing the skill sets needed to prepare for a low-carbon economy required assistance, and out of that proposition came a payment of \$1,000 which will be provided to eligible Australian apprentices who have successfully completed the required level of training provided that that is in an area where they are taught skills in sustainability and environmentally sustainable work practices. It is an important way of investing in skills but in particular investing in the skills that our low-carbon economy in the future is going to require.

In addition to that, the Tools for Your Trade payment simplifies a series of payments that were previously made and, in doing so, I think not only improves the lot of the apprentice in receipt of a payment but also improves the lot more particularly of the employer in meeting their compliance obligations and overcoming the regulatory barriers that for many employers can often pose an insurmountable obstacle to them taking that step to engage a young apprentice. So I welcome the substantive programs.

I also welcome the tax treatment that is proposed as part of this bill. The issue of apprenticeships and traineeships is an issue that is very dear to my heart. It is an issue that I have been working on very actively in

my local community with a range of stakeholders to try to ensure that we are meeting the skills needs of industry in our local community. With the support of the Rudd government, our local community has been yielding some dividends when it comes to tackling the skills challenges that we face.

Firstly, I would like to refer to the trades training centre announcements that were made a little bit earlier in the year. They go to the issue of ensuring that we are able, in the first instance, to continue to engage young people in their secondary education. This is a very big issue in my local community where there are very high rates of students dropping out and not going on to years 11 and 12. It is important not only in addressing that issue of engagement but, more particularly, in meeting the skills needs and challenges that our country faces. I pay tribute to the great work of Penrith City Council and its many staff members who very proactively some time ago set about the business of trying to establish where those areas of skill shortage exist in our local community. In doing so, they have been able to clearly articulate where those areas of skill shortage have existed and where they have emerged in recent times.

Of course as we have been hit by the steepest global recession in 75 years, since the Great Depression, we see that to some extent some of the goalposts are moving. But the Rudd government's commitment is to invest in skills and jobs today to deliver the infrastructure that our nation needs in the future and they are investing in trades training centres in my local community.

We are very fortunate in my local community that we have received funding for two trades training centres. In the first instance we have a trades training centre auspiced by the government school sector in my local community. There are a number of

schools involved in the project, Kingswood High School being the host facility. It operates on a hub-and-spoke approach and there are a number of other schools also involved in this particular proposition. Cambridge Park High is one of them, and I acknowledge, as I think I have done before in this place, the good work of Mr Roger Berry, the principal of Cambridge Park High, who was also the author of that application. There is also Glenmore Park, Cranebrook, Nepean, Jamison, and Blaxland high schools. So it is a very cooperative effort, and one of the great things about this particular proposal is that the schools have come together and pooled their resources.

We are all aware that under the government's proposals for trades training centres individual allocations were available to be applied for by the individual schools. In respect of this proposal, and indeed the other proposal, to which I will speak shortly, we see that by pooling funds schools have been able to work collaboratively and cooperatively to deliver facilities on a much grander scale than would otherwise be the case. I am certain that our local community will benefit from that cooperation.

So \$7.2 million has been allocated for the Penrith Cluster Trades Training Centre, which is under the auspices of the government schools in my community. There was also funding of approximately \$6 million for the proposal brought forward by McCarthy Catholic College at Emu Plains. I recognise the efforts of Kevin Wholohan, the principal of McCarthy Catholic College, for his authorship of the proposal that was ultimately successful. McCarthy is working with Caroline Chisholm, Glenmore Park, Xavier College Llandilo and St Columba's up at Springwood to deliver a trades training centre for that broader catchment of young people, in particular within the Catholic school system in that case.

Now whilst the Kingswood High School facility is focused predominantly on state-of-the-art metal work and other engineering facilities, we see with the McCarthy Catholic College training centre a more diverse series of areas targeted, ranging across certificate III training areas including automotive, mechanical, electro-communications industries and a range of other areas.

These proposals came out of a very consultative process in our local community. In fact, shortly after being elected at the end of 2007 I convened a meeting of all principals within my local community. Subsequent to that the principals came back for a further session on trades training centre proposals. Out of this cooperation and collaboration came these two proposals which were ultimately funded. They will provide facilities that will assist us in our local community to ensure that we are investing in the skills that our community needs into the future. It ties in very nicely with the stimulus measures that the government has implemented, and indeed additional funds for trades training centres were provided as part of the Nation Building and Jobs Plan. In delivering this investment upfront we are supporting local jobs here and now but doing so to deliver the infrastructure that our nation needs into the long term.

Out of the discussions that we had at the local level with industry, local school communities and training providers came the notion that we as a local community needed to do more to address the issue of skills shortages. As a result of those discussions, the Penrith Valley Economic Development Corporation, in May 2008, helped to drive interest in a proposal to convene a meeting—a seminar, a forum—on the issue of addressing skills shortages. That was a very successful forum. I note that many positive things came out of that forum. There is one thing in particular that I would like to refer to. I recall

Mrs Lea Hicks from Hix Electrical, a very successful local business person in my community, made an important observation which I am pleased to see has been picked up in subsequent government initiatives. She is part of a business that has shown and demonstrated a real commitment to training and providing apprenticeships to young people in our community. She made the point that one way government could provide practical assistance and practical incentives to local employers to engage apprentices was by providing some incentive for doing so, particularly when it came to tendering for government contracts and government related work.

In that context I was very pleased to see that in the press statement released on 19 February this year by the Deputy Prime Minister—at the same time as she made a speech at the Sydney Institute and released the government's securing apprenticeships plan—there was a specific reference to this notion. In that press release the Deputy Prime Minister said:

In tendering new Australian Government funded infrastructure projects, preference will be given to businesses which demonstrate a commitment to retain and employ new trainees and apprentices.

What we see here is the government responding to and acting upon specific representations—made by not just members of my community although that is so in the case of Mrs Hicks—and also, no doubt, sentiments being expressed by employers, particularly small business employers, right around the country. So I am very pleased to see that the government has picked up on that. That is of particular significance when you consider the scale of government infrastructure spending at the moment. To put that into context, look at the \$22 billion infrastructure plan that was announced as part of the budget and on top of that the largest school modernisation project in Australia's history and many other very serious and sizeable capital works pro-

jects initiated at the government's instigation.

As part of the securing apprenticeships plan, the Deputy Prime Minister also set out some details in relation to specific measures designed as a buffer to protect our apprentices and trainees from the impacts of the global recession. In particular, additional funds have been made available to employers and group training organisations in respect of eligible apprentices to ensure that out-of-trade apprentices or former apprentices or trainees who did not successfully complete their apprenticeships due to being laid off can be picked up by new employers or group training organisations. It is a very sensible initiative, one that responds to the very dramatic events so far as the downturn in the international economy is concerned. In doing so, we are protecting the already partly built skills base that exists in those partly trained apprentices and trainees who, through no fault of their own, may have been laid off as a consequence of the global downturn. So this is a particularly significant initiative and, when viewed in the context of the overall commitment to apprenticeships and traineeships in the budget—with the government investing \$3.8 billion over four years—it shows that this is a government that is determined to make good on its commitment to deliver for apprentices and trainees.

I recall a number of years ago, when the Labor Party was in opposition and the trade training centre policy was first announced by the now Prime Minister, Mr Rudd said words to the effect of, 'We in the Labor Party value a trade qualification as much as we value a university education.' It is important to understand the significance of that statement, in that it acknowledges that, when we look across the spectrum of where the skills shortages in this country exist, they will not be filled simply by facilitating more university

graduates. While that is an aspiration that we all strive towards—because improving the knowledge base of this country is an end worth pursuing in its own right—there are a range of skills shortages within the trades that need to be addressed if we are to meet the needs of our economy.

So I was very pleased that that statement was made back when the Prime Minister was Leader of the Opposition, before my time in this place, but I am even more pleased to see that now that we are in government we are delivering on that commitment. We are delivering on that commitment through a range of initiatives. This particular bill, in a small way, contributes to the overall package of reforms and measures that we are implementing to ensure that we are investing in apprentices and trainees so that we can prepare our economy and ourselves for the future. I support the bill.

Mr SYMON (Deakin) (5.24 pm)—I rise today to speak in support of the Social Security and Other Legislation Amendment (Australian Apprentices) Bill 2009, which is before the House. It was many years ago—some might say many, many years ago—that I signed up for an apprenticeship; I think it was back in 1982. Four years later, out I came, a qualified electrical mechanic. That was quite common at the time; a lot of people came out of school and did trades training. But it did not take long for that level to drop off. In fact, I was only into the second year of my apprenticeship, in 1983, when there was a fairly hefty downturn as a result of a recession. Not only did employers stop taking on apprentices but many apprentices already in the trade were either laid off or stood down indefinitely—which was pretty much the same as being laid off—or, in the case of the employer I worked for, the 40-odd apprentices were all put on what was politely termed ‘week on, week off’. The effect of that was that you only got to work

one week out of every fortnight and therefore that is what you got paid for. As an incentive to get more apprentices in the trades, it did not work; as an incentive to keep apprentices on, it worked in one way. But the point is that back in the 1980s there were really no support mechanisms for apprentices in times of downturn.

I have believed for a long time, and it has been said by many, that apprentice rates in many industries are too low. That is compared to the wages that are on offer for the same type of people in casual or part-time industries. It can be said of a lot of industries that the first-year apprentice wage can be bettered by the wages for working in a local retail store. Of course, young people do not always realise at the time where the training will lead and where the opportunities will come from in the future, especially economically.

As I said, in the 1980s there was no additional support for apprentices and no special measures aimed at keeping them in the industry. There was no extra support from either the Commonwealth or state governments to top up their meagre wages or even provide any form of the support that we recognise is most needed and valuable these days.

In downturns, it is always tough. I came through the building industry, where when there is a boom on they cannot find enough workers and, when there is a bust on, workers cannot find a job. That is what happened in the 1980s, and it happened again in the 1990s. Fortunately, we have not got to that point in the current decade. But, when it did happen, there used to be some informal mechanisms, not through government but through employers. Occasionally, an employer that did have work would say, ‘Well, I’ll borrow some of your apprentices so that we can keep them in jobs.’ It used to be a bit

of a gentleman's agreement. That still goes on today in some ways, and those employers are to be congratulated for taking those sorts of steps. But what it led to—and it is still a problem these days—was many people who started trades apprenticeships not finishing them. It can be because of wages; it can be for lack of opportunity; it can be for lack of direction. It is frustrating.

I have watched many apprentices start and get through to their third or fourth year and then pack up and leave. That means all that time that they spent in training is no use to anyone—not to the apprentice, not to the employer and not to the industry. I have seen kids come in as apprentices and I have worked beside them for a couple of years, and they have then turned up one day, and said, 'No, I've found a better job; I'm going to go work in the police force.' I know of one who went and worked as a used car salesman instead of as an electrician. Certainly, I always scratched my head over it. I think I was one of the fortunate ones who saw the value of the trade then and still do now.

Some of them moved on to other careers in the Defence Force or went back to school or university—and good on them for that, but the loss of people to the trade back then was not addressed. A person who does not complete a training program in a trade cannot go back a decade later and pick up where they left off. Things change. The theoretical syllabus for most trades changes and the practical on-the-job work can change as well, and we have seen that happen a lot in recent years.

It was not just the apprentices leaving the trade in that time that was causing the drop in apprenticeship numbers; there was also a really big drop in the intake of apprentices. Especially in Victoria, that was a huge issue right through the 1980s and into the 1990s. One of the reasons—and it still hurts the

skilled labour pool today—is that state government instrumentalities at the time were undergoing privatisation. Many of those were very large employers of apprentices—the state electricity commission, the waterworks, the railways, and the gas and fuel authorities. Between them they employed hundreds of apprentices every year. Usually when those apprentices completed their time they were released to private industry, helping fill some of the gaps there. At the same time that was happening, private industry also dropped its apprentice intake. In recent years we have seen great need in skill shortages areas, and a lot of that really does go back to those years.

That brings me to the Australian Apprenticeships Incentives Program, which is part of this bill. It provides incentives for apprentices. Some were already there but this makes it a whole lot easier. The Tools for Your Trade payment is currently made by a voucher system. I have looked at the voucher system—I got the forms and tried to follow it through on the web—and it was probably a good idea at the time, but it is difficult to follow. There are waiting periods and various other things that may dissuade an apprentice from joining a trade or may seem too hard for someone who is thinking about leaving.

The enhanced Tools for Your Trade program, which is included in the Australian Apprenticeships Incentives Program, will be available to more Australian apprentices and will reduce the burden of administration on employers. It will streamline three existing support payments—the Tools for Your Trade voucher, the apprenticeship wage top-up and the Commonwealth trade learning scholarship—into the one Tools for Your Trade payment under the Australian Apprenticeships Incentives Program. Australian apprentices in skill shortage trades will be eligible for the same level of support from the Com-

monwealth government regardless of age and the size of the employer.

The broader Australian Apprenticeships Incentives Program comprises five cash payments over the period of an apprenticeship: \$800 will be paid at the three-month point of the apprenticeship, a further \$800 will be paid at both the 12- and 24-month points, \$700 is paid at the 36-month point and another \$700 is paid on completion. These payments total \$3,800—a significant incentive for attracting people to, and retaining them in, trades training. These payments will be tax free and will help apprentices meet the cost of tools, books, protective clothing and fees.

Agricultural apprentices and trainees will also be included under this program, along with horticultural apprentices and trainees in rural and regional Australia. The new arrangements for eligibility will have the effect of increasing the number of Australian apprentices eligible for support under this program by up to 14,000 people annually. With the total estimated cost of this program being \$670 million over four years, it will help attract and retain apprentices in the defined skill shortage occupations.

The second element of this bill is the introduction of the Skills for Sustainability for Australian Apprentices incentive, which will support training for apprentices in sustainability and environmentally sustainable work practices in selected national skills needs list occupations. These in many cases are new skills. These are not the sorts of skills that someone of my age would have learnt during trade training because the technologies and products were not there. The world changes and we and our tradespeople need to keep up. Apprentices being trained now especially need to be trained in the technologies of today and the technologies of the future.

The opportunities for training are already there in some cases, but training is not being done in a coordinated way. Various employers have seen a niche in the market and have jumped in early. I certainly congratulate them for what they do, but there does need to be a far wider and more systemic effort if we are going to have trained people available to do the work that will come up as we change our economy. As we head towards a lower carbon economy, we will need more people trained in sustainable jobs so that when we change—maybe when we change existing buildings or production processes—we have people who know how to do the job. It is too late when we get to that point to say, ‘Where are we going to find this workforce?’ That training needs to start as soon as possible.

An Australian apprentice on completing the required level of sustainability related training will be eligible for a payment of \$1,000. This program, which is costed over four years at \$20 million, will run as a pilot program within the Skills for the Carbon Challenge Initiative, which was an outcome of last year’s Australia 2020 Summit. These two payments are part of range of support programs that are, or will shortly be, available for Australian apprentices and their employers in these industries.

All up these investments represent a total of \$5 billion in apprenticeship and related training funding over four years. They also include programs such as support for mid-career apprentices, which is available to selected trades and will be extended for those aged 30 and over down to those aged 25 and over. That also is a particularly good initiative. One of the problems with attracting people to apprenticeships—and it has been a longstanding issue—is age. Most apprenticeships, even though they are paid on year level of training, also have particular clauses in legislative instruments that say an apprentice over the age of 21 has to go onto adult

rates. So, many people do actually make the decision some time later in their lives that they would like to get training in a trade but then, on going to find a suitable employer, find that quite often they are at the back of the queue because their age makes them more expensive to employ than a young person who has come straight out of a secondary school. That also holds us back. There does need to be easier entry for people of that age. There needs to be more support there. And there need to be more incentives so that we do get more people into these areas where we have ongoing skills shortages in many cases.

The investment also includes incentive payments of \$4,000 that will be extended to employers of all diploma and advanced diploma apprentices and trainees. Again, there are a lot of areas that are not what are regarded as traditional trades but are certainly technical occupations. Many times they are bypassed when we talk about trades or when we go to the other end of the scale and talk about training through universities. These occupations in many cases are hands-on but also have a high level of knowledge and understanding that goes beyond what may be standard trade training. As a qualified tradesperson, I certainly welcome these initiatives aimed at increasing training in skills for Australia's future, and I think every member of this House should. I think the more we can do that, the better. I commend this bill to the House.

Mrs D'ATH (Petrie) (5.39 pm)—I rise to support the Social Security and Other Legislation Amendment (Australian Apprentices) Bill 2009. I would like to put on the record my acknowledgement of the contributions made by my parliamentary colleagues on this bill. There is no doubt, as we just heard from the member for Deakin, that it is extremely important that this government has a commitment to upskilling Australian workers,

particularly focusing on the need to obtain trade qualifications in those key areas where there continue to be skills shortages. Although what we are seeing as a consequence of the global economic crisis is an increase in unemployment, that does not in any way absolve this government from its responsibility of ensuring that we continue with our program to have more and more people take up trade qualifications, to build trade training centres in our secondary schools and to encourage mature-age persons to take up trade qualifications so that when we move forward, and the economy starts to grow again, that skills base that we so desperately need is there.

It is true to say that to be able to truly deliver on that infrastructure commitment that this government has made, both in the short term and the long term, and help grow the economy, we are going to need those trade skills in our local communities so that the businesses and the employers that are tendering for this work have those people with those skills ready and available at the time so they can take up those opportunities.

This bill is an important bill because what it seeks to do is exempt the value of the payments made under the Skills for Sustainability for Australian Apprentices and the Tools for Your Trade initiative under the Australian Apprenticeships Incentives Program from treatment as assessable income for taxation, social security and veterans affairs purposes. This is extremely important. It makes sure that this payment will go to these apprentices in full and they will be able to receive the full benefit, and consequently all of the assistance, that comes with that additional income. Alternatively, what would have happened is that part of that payment would have been taken up in taxation. That would have meant, in relation to Tools for Your Trade, that those apprentices would in fact have been able to purchase fewer of the

materials required for that trade; and, for Skills for Sustainability for Australian Apprentices, it would not have been providing as much financial support as will be available as a result of this bill.

I had the opportunity yesterday in this House to speak on the Social Security Amendment (Training Incentives) Bill 2009. What that bill sought to do was provide additional payments for those people on parenting payments and those people on Newstart allowance who have not completed their grade 12 qualification or equivalent to get a further qualification and to encourage them to do that through this additional payment. This bill before us is another step, another commitment by the Rudd Labor government in its efforts to support people, including those with low skills in the workforce or those who are unemployed and those who are seeking to obtain trade qualifications to get those skills and to get the financial support that they deserve while undertaking the studies for those qualifications.

These two particular payments in the bill before the House go to two issues, as I said. The Skills for Sustainability for Australian Apprentices payment is part of a pilot program within the Skills for the Carbon Challenge initiative. This payment and this initiative have come out of the Australia 2020 Summit. As we have heard, many great ideas came out of the Australia 2020 Summit. I am pleased to state, as I have before, that a large proportion of my schools participated in the 2020 Summit by holding their own summits dealing with the same topics and contributing towards the overall debate that went on with the 2020 Summit.

The outcome of the summit is aimed at accelerating the tertiary education sector's response to climate change. It will encourage Australian apprentices to undertake sustainability related training. The payment of

\$1000 will be provided to eligible Australian apprentices who have successfully completed the required level of training, which teaches skills in sustainability and environmentally sustainable work practices. This program and this payment not only provides financial support or an incentive for people undertaking apprenticeships in sustainability related training but is absolutely crucial to this government's commitment as part of the renewable energy target and the Carbon Pollution Reduction Scheme. For us to meet those targets, for this country to move forward and start looking at alternative clean energy sources and new ways to do business and to produce materials, we need a skilled workforce to undertake that work and we need to be identifying those skills now and training people up so that we are ready to embrace those new initiatives, those new technologies and all that will come out of all of the initiatives to achieve that renewable energy target and to implement the Carbon Pollution Reduction Scheme.

One of the things happening in my electorate that touches very much on this initiative is, I think, extremely exciting and deserves recognition. Ray Gannon is the founder of Dug the Dugong, which is an initiative to educate children and the community about the importance of our environment and Moreton Bay, particularly the dugongs that live in the bay but more broadly the environment. He has also created the Moreton Bay Environmental Challenge Awards. This is a competition launched in April that goes for 12 months. The competition encourages children to make solar panelled billycarts or some other form of transport that is solar powered. One of my schools, Woody Point Special School, is actually building a solar powered wheelchair. I have met the student who is going to be driving the wheelchair and he cannot wait to be in the race next year. But those fantastic environmental chal-

lenge awards are just part of a bigger initiative, and that is what I want to talk to this chamber about today.

That initiative is the Peninsula Power Project. This project aims to help make the Redcliffe peninsula an independent electrical energy resource which, over the next decade, will become a net energy provider for its local and wider community. This project is designed to encourage and facilitate the installation of renewable and sustainable electrical energy-generating devices wherever possible and practicable. In simple terms, the Peninsula Power Project target is to see solar and wind power generators as an integral part of as many domestic, commercial, industrial and institutional premises as possible by 2020. The Peninsula Power Project envisages a multilayered approach to help the Redcliffe peninsula become a solar powerhouse. Those layers will, for example, help educate and promote sustainable energy on the peninsula, including schoolchildren through the Moreton Bay Environmental Challenge Awards; encourage vocational training and job creation in green energy technology fields; and help establish the first solar electrical apprenticeship training and accreditation in Queensland. Initial discussions have already begun in this regard.

That means that, as part of this project to have the Redcliffe peninsula as a solar energy hub and a renewable and sustainable electrical energy-generating area, we are creating new jobs. We are hoping to create new apprenticeships that are sustainable for the long term. That particular initiative, as part of this project, is exactly what Skills for Sustainability for Australian Apprentices is all about. The group will lobby for and encourage energy audits for municipal premises, depots, workshops and service facilities, including sewage and waste disposal areas. It will lobby for and encourage energy audits for all state and Commonwealth facilities on

the peninsula, including hospitals, schools, medical centres and offices. It will also encourage energy audits for domestic households on the peninsula.

This is a fantastic project, a fantastic initiative, which I fully endorse. I have certainly put my support behind this program. There are solar energy businesses all over the Redcliffe peninsula and the broader community of north Brisbane who have put their support behind this program. We have training organisations who want to help take up this initiative. We are creating jobs, we are creating training opportunities and we are creating a renewable energy area for the Redcliffe peninsula. It could not be more exciting for my area and my electorate. I look forward to keeping this House informed of how that program is going ahead.

The second initiative relates to Tools For Your Trade, and we have heard other members speak to that. The Tools for Your Trade payment falls within the broader Australian Apprenticeship Incentives Program. It combines and extends three administratively complex programs previously available to Australian apprentices into one payment. I know, from my previous work, that there were many, many apprentices who had difficulties with the administration of the Tool for Your Trade funding and with the vouchers that they received. Many did not receive the payments they should have and there were real issues with the implementation of those programs. This bill streamlines those programs into a new benefit which comprises five separate cash payments totalling \$3,800 over the life of the Australian apprenticeship. This will certainly assist many apprentices to obtain the tools that they need for their trade throughout their training and beyond. This is another fantastic initiative.

This bill, which provides an exemption for the value of the payments, ensuring that the

full benefit flows, complements a bill I spoke to previously in this parliament which provided the same benefit but provided for an early completion bonus for apprentices. That bill ensured that the full benefit of the early completion bonus for apprentices flowed on to those apprentices. It was an incentive to complete their apprenticeships early and get out into the workforce with those full qualifications. This bill adds to that. It ensures that, wherever possible, the full complement of allowances and payments for apprentices flows all the way through and assists our apprentices into the workforce.

I certainly commend this bill to the House. I believe it is another important initiative as part of this government's overall commitment to training and apprenticeships. It adds to a range of incentives and initiatives that not only were announced in this budget but have been rolled out since the Rudd Labor government came into power in 2007. We will continue with our commitment to do everything possible to support people in the community to upskill and to gain new qualifications and skills in those areas that are so desperately needed. These measures will not just support jobs and create employment opportunities in the short term but will further this government's commitment to nation building for the future.

The DEPUTY SPEAKER (Mr S Georganas)—I call the Deputy Prime Minister.

Mr Keenan interjecting—

Ms GILLARD (Lalor—Minister for Education, Minister for Employment and Workplace Relations and Minister for Social Inclusion) (5.54 pm)—in reply—I thank the shadow minister for employment and workplace relations at the table for his fulsome support of my right to speak in this parliament—it is very gratifying. I thank every member who has contributed to this debate. The Social Security and Other Legislation

Amendment (Australian Apprentices) Bill 2009 makes minor adjustments to the Income Tax Assessment Act 1997, the Social Security Act 1991 and the Veterans' Entitlements Act 1986 to exempt from taxation and treatment as taxable income payments made to Australian apprentices under two new Australian government programs: Skills for Sustainability for Australian Apprentices and the Tools for Your Trade program. These come under the Australian Apprenticeships Incentives Program.

The introduction of two new programs, Skills for Sustainability for Australian Apprentices and the Tools for Your Trade payment, is part of a much broader suite of programs to support Australian apprentices and their employers. These programs will provide valuable employment and training opportunities for those Australians looking to gain skills or retrain and will ensure Australia's skill base is protected and maintained. To this end, funding for Australian apprenticeship and related programs is at record levels, with \$5 billion being committed by the government over the next four years.

The first of the two programs, the Skills for Sustainability for Australian Apprentices pilot, aims to encourage Australian apprentices to develop new skills and a more integrated knowledge about sustainable work practices. The program delivers a personal benefit payment of \$1,000 to eligible Australian apprentices in selected occupations following completion of the required level of sustainability related training. The goal is to develop an appropriately skilled workforce that can meet the rising demand for sustainable buildings, technologies and industries. Industry skills councils have examined the current impacts of environmental sustainability on their industry sectors and identified training package units that have environmental or sustainability issues as central principles of competency. Where new sus-

tainability related skills and knowledge are needed, the industry skills councils have developed and endorsed new units to target these skills. Undertaking study in a range of selected units and occupations will attract the incentive payment. It is expected these units will be monitored and reviewed as further research identifies new sustainability demands emerging in industry. Eligibility for the incentive will be adjusted accordingly to target areas of greatest need.

The second new Australian government program, the Tools for Your Trade payment, combines into one payment three administratively complex programs previously available to Australian apprentices. The payment provides essential financial support in order to maintain apprenticeship rates and to encourage completion of training. The new arrangements broaden eligibility for the payment, supporting more Australian apprentices. The streamlined delivery arrangements also remove unnecessary red tape for Australian apprentices and their employers. The new Tools for Your Trade payment provides Australian apprentices with \$3,800 over the life of the Australian apprenticeship and comprises five cash payments, with \$800 paid at the three-, 12- and 24-month points and \$700 at the 36-month point and on successful completion.

This new payment replaces the administratively complex Tools for Your Trade voucher program, the Commonwealth Trade Learning Scholarship and the apprenticeship wage top-up payment. Arrangements are in place to ensure a smooth transition from these programs to the new payment, which will guarantee that no Australian apprentice will be disadvantaged. Those Australian apprentices who commence their training after the closing date for the old programs will be eligible for payments under the new Tools of Your Trade payment.

This bill allows eligible Australian apprentices to receive the full benefit of payments under the two new programs without the payments being subjected to taxation. The bill also ensures that Australian apprentices who receive payments under the program will continue to receive the full benefit of their Centrelink and veterans entitlements. The amendments proposed in this bill are consistent with taxation treatment of previous programs that deliver personal benefit payments to Australian apprentices. Measures proposed in this bill provide support and stability to Australian apprentices as we continue to build a strong national skills base in preparation for economic recovery.

I commend the bill to the House, thank members for their contributions in the debate and ask that the House support the bill.

Question agreed to.

Bill read a second time.

Message from the Governor-General recommending appropriation announced.

Third Reading

Ms GILLARD (Lalor—Minister for Education, Minister for Employment and Workplace Relations and Minister for Social Inclusion) (6.00 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

NATION BUILDING PROGRAM (NATIONAL LAND TRANSPORT) AMENDMENT BILL 2009

Returned from the Senate

Message received from the Senate returning the bill without amendment or request.

**SOCIAL SECURITY AND OTHER
LEGISLATION AMENDMENT
(PENSION REFORM AND OTHER 2009
BUDGET MEASURES) BILL
(No. 1) 2009**

Second Reading

Debate resumed from 15 June, on motion by **Ms Macklin**:

That this bill be now read a second time.

Mr ABBOTT (Warringah) (6.01 pm)—The Social Security and Other Legislation Amendment (Pension Reform and Other 2009 Budget Measures) Bill 2009, which we are now considering, is legislation which implements the government's budget pension package. It is an important package. It is perhaps the highlight of the budget and it is good that it receives the attention of the House over the next few hours. The most eye-catching feature of this legislation is the provision which increases the base rate of the single pension by \$30 a week. This applies to all pensions except the sole parent pension.

I have to say that the government came late to the cause of increasing the pension. You might remember that in this parliament, in the middle of last year under the leadership of the member for Bradfield, the coalition called very consistently for recognition of the plight of the single pensioner and, in fact, moved legislation in this parliament—legislation that was carried in the Senate—to do just that. That legislation was not proceeded with by the government. So the government has come late to this but, nevertheless, it has come at last.

I would like to place on the *Hansard* record my conviction that this benefit for pensioners is a lasting tribute to the work of the former Leader of the Opposition, the member for Bradfield. All pensioners who get this large increase from September this year should say a silent prayer of thanks to Dr Brendan Nelson, the member for Bradfield,

because I am convinced that without his work it would not have happened. That is the first thing.

The second thing is that this legislation changes the indexation arrangements for pensions. In future, under a new index which the ABS will prepare especially to reflect the circumstances of pensioners, the pension will be increased by CPI or 27.7 per cent of MTAW—*not* 25 per cent—whichever is the greater. This is a beneficial change. It builds on the good work of the former government.

Third, this legislation consolidates the various existing supplements and allowances paid to pensioners and then increases them. It increases them by a little over \$2 in the case of single pensioners and by over \$10 in the case of couple pensioners. This is a sensible enough measure, although I should point out that it does replace, it seems to me, the one-off bonuses for seniors and pensioners that the former government paid in the last few budgets out of the massive surpluses that had been accumulated. Given that the surpluses have disappeared under the current government, presumably, but for this change, those bonuses would have disappeared, so pensioners will probably welcome this change.

Fourth, this legislation changes the withdrawal taper rates. In future the pension will be reduced by 50c for every dollar of additional income earned rather than, as was the case under the Howard government, by 40c. This is obviously not going to benefit some people who would otherwise be on the pension. Nevertheless, I note that the government will be grandfathering existing pensioners. I presume this will necessitate the maintenance of two scales for many years to come—in fact for as long as current pensioners continue to receive the pension. I imagine that it will create a certain amount of administrative complexity for Centrelink, but, nev-

ertheless, if such a change is going to be made, it is a fair way of doing it.

Fifth, this legislation replaces the former government's pension bonus scheme with a new work bonus scheme. It has been the object of public policy for quite a few years to try to encourage people beyond pension age to stay in the workforce. The former government's scheme provided a lump sum of up to \$30,000 to pension-eligible people who opted to delay their retirement. I regret to say that this scheme was not taken up nearly as widely as the former government had anticipated. It was anticipated when the scheme was introduced in the late 1990s that some 35,000 people a year would benefit from this pension bonus scheme. As things turned out, about 8,000 people a year was the maximum number achieved.

In principle it seems that the new arrangements ought to be more widely advantageous to people working past what might otherwise be a retirement age. It certainly provides an immediate benefit rather than a deferred benefit, and I hope that these new arrangements will in fact mean that many more people will keep working into their senior years, not because I want anyone to work who would rather not work—certainly anyone of senior years who would rather not work—but because I think it is very important that people be given every encouragement to keep working for as long as they can.

Finally, and most controversially, this legislation raises the pension eligibility age to 67, starting in 2017 and concluding in 2023. I have to say that this final measure embodies two characteristics which have come to mark the Rudd government. Firstly, the government did not take the public into its confidence before this decision was made. I think there is a secretiveness about the new government, which is regrettable. I think

important policy innovations should be discussed publicly before they are presented to the people as a done deal. Secondly, as with all the allegedly tough decisions of the current government, the pain is deferred. This is a government that is very good at giving people goodies now while deferring any burdens they might have to bear to a time when the current Prime Minister is likely to be applying to become the Secretary-General of the United Nations, when he might be in some incarnation as 'Kevin Kevin Rudd'.

Nevertheless, having made those observations, and having made the point as strongly as I can that this measure should have been discussed first and should not simply have been sprung on the Australian people on budget night, I do think that a strong case can be made for raising the pension age. The pension age was set at 65 back in 1908, when life expectancy at birth was under 60 years. Today, life expectancy at birth is over 80 years. In 1908, someone who was 65 years old could expect to live for a further 11 years. Today, someone who is 65 years old can expect to live for 19 years more, and it is anticipated that those life expectancies will continue to climb in the immediate future.

What this final measure is doing is tackling the demographic deficit, if you like, that was identified by the former government in its two intergenerational reports. At this time there are approximately five workers for every one person dependent upon social security. By 2040, without policy change, there will be just 2½ workers for every one person dependent upon the taxpayer. This is a very serious problem which has to be addressed, and raising the pension eligibility age is a significant component in doing so. I regret to say that we have in recent years had a situation where many Australians did not expect to start working until they were well into their 20s and yet expected to stop working when they were barely into their 50s and live

financially very well indeed well into their 80s and even their 90s. This was simply unsustainable. The idea that there should be but a 30-year working window in people's lives could not go on, and I think it is good that the government has addressed this.

The other point I want to make is that it really is important for us to break down the stigma against older workers. Discrimination on the basis of age is perhaps the last frontier of discrimination left in our society. I think that it is years since people have been actively discriminated against on the basis of race, religion or gender. But certainly there is active discrimination against people on the basis of age. It is not legal, but it goes on. It is disguised, but it happens. One of the great benefits, I think, of raising the pension age is that we as a society are saying to the public that we do not believe that someone is past it simply because he or she turns 65. I do not much like the idea of statutory senility starting at 67, either; nevertheless, at least it is not going to start at 65. So I think there is this very significant benefit in this proposal to raise the age of pension eligibility.

I suppose the objection that has most commonly been raised since budget night is that there are quite a few people who work in the sorts of occupations where going on might be difficult. The example that has been widely cited is that of the 64-year-old bricklayer. To be honest, I would like to think that, as time goes by, there will be more and more Australians who will be capable of doing tough, vigorous work later and later in life. The truth is that we do not actually have very many 64-year-old bricklayers. Most people in those sorts of occupations have sought other work well before that age or, let us be blunt, have gone on to other forms of benefit.

I do not believe that this measure will result in very many conscripts in the workforce, because I think that people who are

really keen to retire, who find it very difficult to work beyond the age of 65, will, in fact, be on a different government benefit. They will most likely be on the disability support pension. If you can work, you should; if you cannot work, there should be a benefit for you and that is the role the disability support pension should rightly play.

These are points on which we should have heard more from the government since the budget. At the forum on the budget changes which I attended with Minister Macklin, she understandably dwelt on the increases in the pension but left me defending the increase in the pension age. I am very happy to do the intellectual hard work, but I would like to see more allies from the government when it comes to talking on this issue.

The opposition will be supporting this legislation in the House. Because the rise in the age pension has not been sufficiently discussed and because the public ought to be more widely familiar with this before it becomes a done deal, we will be moving to ensure that there is a proper committee inquiry into at least this aspect of the government's changes. People ought to have a chance to say their piece on this, even though, as I have already said, I think it is a good policy. It is good in principle and any practical difficulties ought to be accommodated in the sorts of ways that Australian governments over the years have become quite accustomed to.

I welcome the fact that we are now able to debate these issues and I look forward to contributions from members on both sides.

Ms ANNETTE ELLIS (Canberra) (6.17 pm)—I am really very pleased this evening to speak to the Social Security and Other Legislation Amendment (Pension Reform and Other 2009 Budget Measures) Bill 2009. It puts in place the key elements of the government's secure and sustainable pension

reforms announced in the recent federal budget. May I say in relation to the member for Warringah, who has just spoken—I do not in any way want to maliciously rain on his parade—I feel it incumbent upon me to point out that, had the previous government's legislation gone through, it would have affected in a positive way single age pensioners and maybe some veterans, but it would have disallowed disability support pension recipients, carers and so on. I am really pleased that, as a government, we have had a thorough, proper and professional examination done of the whole pension system, which has led us to where we are now debating this bill.

These reforms will improve the adequacy of the pension system. They will make its operations simpler and more responsive to the needs of our pensioners and they will secure its long-term sustainability—one of the most important elements of the bill. We definitely face challenges into the future, as our population ages, and we must face these challenges directly. A secure and sustainable pension system, therefore, is essential.

Nationally our 3.3 million age pensioners, disability pensioners, carers, wife pensioners and veteran income support recipients will all benefit from increases in their pension payments as a result of this legislation. In my electorate of Canberra, for instance, those who will benefit include 5,559 partnered and 4,605 unpartnered age pensioners, 198 and 170 respectively carer payment recipients, 1,547 and 664 respectively carer allowance recipients, 790 and 2,608 respectively disability support pensioners, as well as around 2,000 veterans. That is just under 16,000 people in my electorate who will be positively affected in the longer term by this legislation. That is why I am so pleased to be here to support it this evening.

The history behind this legislation is worth noting. Last year the government initiated a significant review, the Harmer review into the adequacy of our 100-year-old pension system. The review found that the full-rate single pension was inadequate and that the ratio of full-rate payments between single and couple pensioners needed to be lifted from 60 per cent to between 64 and 67 per cent. Even in these difficult financial circumstances, we as a government were determined to respond to these findings. Every Australian knows that one day they may need to rely on a pension. A strong safety net is needed now and will be needed in future and the global recession highlights the importance of this very point.

I would like to expand a little on one particular provision, also mentioned by the previous speaker, which is the new qualifying pension age. I believe there may be a little confusion in some people's minds in relation to this element of the legislation. The odd call to my office, where people have been seeking clarification, has led me to want to speak to this element in detail. Beginning in 2017, the age pension eligibility age will increase by six months every two years until it reaches 67 years of age in 2023. For example, on 1 July 2017, the new age pension age will be 65½. That will affect people born between 1 July 1952 and 31 December 1953, whose current ages are between 55½ to 57.

There is more detail—I could go through all of the four categories—but it is very clear that it is going to be a transition over a period of time. People who want more detail should seek it to make sure that they understand that this is not happening tomorrow. I have heard 62-year-olds ring up talkback radio and say, 'I don't want to wait any longer for the pension.' They do not have to if they qualify now. It is very important that people understand that this is a grading proposal that will happen over a number of

years and will gradually creep up to that new age qualification. These changes will not affect current age pensioners. Only new entrants to the pension system from 1 July 2017 will be affected. It must be noted that these changes affect the age pension age, the qualifying age for the veterans service pension will remain at 60 years and the official retirement age does not change at all.

The pension age was set at 65 years in 1909, but 100 years later Australia has changed. When the age pension was introduced, a man retiring at 65 would have expected to spend an average of 11 years in retirement. By 2017, it is projected that the average number of years in retirement for a 65-year-old man will have increased to 19½ years. A woman of the same age can expect to spend 23½ years in retirement by 2017. Australia will face some major demographic changes over the coming decades. By 2047 some 7.2 million Australians will be aged over 65, representing 25 per cent of the expected population—almost double the current 13 per cent. Currently, there are around five people of working age supporting every person aged 65 and over. This will more than halve to 2.4 people by 2047. Increasing longevity means that people are receiving the age pension for far longer periods than in the past. Demographic change means that the cost of a given pension increase today will almost double as a share of GDP by 2050.

The critical elements of the pension reform package include increasing the single pension. Single pensioners will receive an increase of \$32.49 per week, comprising a \$30 a week increase in the maximum basic pension rate and a \$2.49 per week increase in the pension supplement. The effective male total average weekly earnings benchmark for the single rate of pension will increase from 25 per cent to 27.7 per cent. The single pension rate will increase as a proportion of the combined couple rate from 60 per cent to

66.3 per cent of MTAW. A pensioner couple combined will receive an increase of \$10.14 per week, with no increase in the maximum basic pension, and a \$10.14 per week increase in the pension supplement. Income test rules will change to better target pension increases. A work bonus for older Australians who continue to work past age pension age will also be introduced. With regard to the pension supplement, the government will combine the GST supplement, the pharmaceutical allowance, the utilities allowance and the telephone allowance—at a higher internet rate—and the increased assistance into an a single, easily understood pension supplement which will be paid fortnightly. As the figures show, that is to the financial advantage of all the people who receive the supplement.

I am very proud to be a member of a government that recognises the need for reform in these important areas, a government that undertakes a proper and professional review of the policy requirements that are to be considered, and introduces a bill of this kind. There is no knee-jerk reaction to this, there is no hysteria in the streets and there is no abuse of the vulnerability of our older Australians in running a campaign to scream loudly for more money for these people as obviously they need that income. But it could not have been done unless it was done properly and comprehensively. My criticism of the previous government's attempts in pushing a bill through in the life of their government was the very nature by which it was done. It removed out of the equation other members of the community who were on Centrelink or support payments who equally deserved careful examination of their financial requirements. The people on a disability support pension, the carers and all of the other people who are now included have been included in a proper and a very measured way. The Harmer review did an enor-

mous amount of work and considered very carefully the best way to establish a pension reform package that is sustainable in the future. It was not to wave around a pension increase for next week but to actually understand the requirements of our community in the future and to structure a reform package accordingly. I congratulate the Minister for Families, Housing, Community Services and Indigenous Affairs and the Harmer review for all the work done on this piece of legislation and the benefits that are going to flow from it. I am very proud to be part of this government that does this sort of work. I commend the bill to the House.

Mrs MOYLAN (Pearce) (6.28 pm)—Amongst other things, the Social Security and Other Legislation Amendment (Pension Reform and Other 2009 Budget Measures) Bill 2009 bill gives effect to the need to increase the level of pension, particularly the single base rate pension. This need for an increase was forcefully argued by the former Leader of the Opposition, the member for Bradfield. With due respect to the member for Canberra, I take the point she made about the wider range of people that this needed to target, but it was patently obvious that many people on a pension in this country were simply struggling to remain financially viable and it was causing a great deal of pain and heartache. Day after day in this place the member for Bradfield eloquently argued the case for an increase in the pension, graphically highlighting the financial struggle that many pensioners faced. The need was certainly evident in my electorate of Pearce. In the course of my regular visits to various parts of the electorate the hardship faced by pensioners, including disability pensioners and in some cases veterans, was abundantly clear. The pressures on pensioners were exacerbated by the rising cost of housing and fuel. The increased cost of fuel sent food costs soaring as farmers battled a sharp in-

crease in the cost of farm inputs, particularly fertiliser and fuel crucial to food production.

During the lead-up to the election, we saw the Prime Minister, the then Leader of the Opposition, promising to ease the cost-of-living pressures for senior Australians by looking at the adequacy of pensions by Fuelwatch schemes and by Grocerywatch schemes. But we saw all of them fall on infertile ground; it was not until this pressure came on from the member for Bradfield that we saw some real action happening here. The Prime Minister, when he came into government, had a \$22 billion budget surplus left by the former coalition government, and he still failed to act. I have to say that the coalition, by paying off Labor's \$96 billion debt that we inherited when we came to government in 1996, were able to deliver real benefits to older Australians, including pensioners and self-funded retirees.

I know that one of the issues for pensioners at the time was the fact that the pension was just indexed to the consumer price index; it was not related to the male total average weekly earnings or, as it is commonly known, MTAW. That was one of the first things that the Howard government did when it came to office. So we were able to make some real changes and provide some real gains for pensioners and self-funded retirees right in that first term of our government.

The new Rudd Labor government, by contrast, was a reluctant starter when it came to increasing pensions, and used stalling tactics to delay action on a decision to increase pensions. As I said, it was patently obvious. We did not really need the Harmer review to tell us about the pain and the hurt that was happening out there in the electorate. Eventually the public pressure, largely due to the then opposition leader's consistent call for urgent action, forced the government to implement these changes. We all owe a vote of thanks to

the member for Bradfield, for his untiring efforts on behalf of pensioners. I certainly welcome this legislation, which will go some way toward improving the living standards of pensioners in the electorate of Pearce. When in government, the coalition did make some important changes. As I said, one of those was to link the pension to MTAW.

I welcome some positive improvements, though, to this measure which, from September, will ensure that the pension will be adjusted in line with either the consumer price index or the new pensioner and beneficiary living cost index, whichever is the higher. Pensions will continue to be benchmarked, I am pleased to say, to the male total average weekly earnings. From March 2010 a new pension benchmark for the maximum combined couple rate of pension will be introduced. The change will mean that it will be 41.76 per cent of the annualised amount of the male total average weekly earnings. For a person being paid a single rate of pension, the maximum rate payable to that person will be set at 66.33 per cent of the maximum rate payable to a combined couple. The new benchmark for the maximum single rate of pension will be 27.7 per cent of MTAW, an increase of more than 10 per cent from the current 25 per cent benchmark, which, again, will be welcome.

In addition, the range of supplementary payments and allowances currently paid to pensioners will be simplified and made more flexible through the introduction of the new pension supplement. The supplement pulls together the existing GST supplement, pharmaceutical allowance, utilities allowance and telephone allowance at the higher internet rate. An increase of \$2.49 a week for singles and \$10.14 a week for couples combined will be paid on top of the value of the existing allowances. The pension supplement for a single pensioner will be about two-thirds, or 66.33 per cent, of the pension supplement for

a couple combined. This is consistent with the new single to couple ratio for pension rates. It was important to address the disparity between single and couple pension rates and supplements. Many single pensioners complained to me that they still had to pay rent or maintain a household and that those costs were fixed whether for a couple or a single person. Many pensioners found it impossible to manage finances when a partner died and their income was reduced to the single rate. These changes go some way to rectifying this disparity, a matter consistently raised by the member for Bradfield and other coalition members.

From 20 September 2009, the pensioner supplement will be worth up to an estimated \$1,462.70 per annum for singles, or \$28.13 per week, and \$2,199.60 a year for couples, or \$42.30 per week. This is an estimated amount, as the impact of indexation is not yet known. The pension supplement will be included in the pension payment rate and subject to income and asset testing. Once the base pension rate is reduced to nil, the pensioner supplement will decrease until it reaches a minimum payment of an estimated \$790.40 a year for singles, or \$15.20 a week, and \$1,190.84 for couples, or \$22.90 a week. The payment a person receives will not fall below the minimum amount of the pension supplement until the person's income or assets reach a level that would otherwise reduce the payment to nil. From July 2010 pensioners will have the choice of receiving around half the pension supplement in quarterly instalments. This flexible part of the pension supplement will be equal to the minimum payment of pension supplement. While the coalition welcome the long-overdue changes to the pension rate, we note that when we tried to secure a similar increase for pensioners last year this was bitterly opposed by the government. Had our bill passed then, many senior Australians

would have already been receiving additional income.

One of the significant changes in this legislation is to raise the age for the pension—that is, to raise the retirement age. The Minister for Families, Housing, Community Services and Indigenous Affairs spoke with great pride about the legislation earlier in question time. However, it is quite amazing when one considers her opposition to raising the age pension previously. In the lead-up to the 2007 election an independent think tank recommended the pension age be raised from 65 to 67 by 2015 to deal with the ageing population but the minister, then in opposition, rejected the proposal saying that senior Australians ‘deserve to be able to retire’. That is certainly true. We do not have any problem with that. She went on to say:

If people want to work beyond 65 it should be their choice, no one should be forced to work beyond retirement age.

But less than two years later the minister has introduced the same policy that she had formerly rejected. In this week—a week in which the honourable member for Higgins announced his retirement from parliament—it is very pertinent to acknowledge the incredible work the former Treasurer did in having the vision to recognise the challenges that an ageing population would bring, and having the leadership ability to do something concrete about addressing those particular issues. In a speech the former Treasurer delivered on the paper *Australia’s demographic challenges*, he said:

... we do not face an insurmountable crisis. But we do face a significant challenge. The longer we leave our response the greater the changes we will need ...

So he recognised this very early on. That paper was delivered in 2007 but in fact the member for Higgins recognised the challenge when we first took government back in 1996. He began by preparing an intergenera-

tional report and, indeed, had the Productivity Commission begin to examine some of the productivity issues around an ageing population. As part of the 2002-03 budget he released the *Intergenerational report*—a report that explored the Commonwealth’s fiscal outlook over the long term and identified emerging issues associated with an ageing population.

In 2004, as I said, he had already asked the Productivity Commission to do a report, but he asked for a further report to undertake complementary studies on the ageing of Australia’s population. In a speech in February 2004, the member for Higgins said:

Our society, the way we live, the opportunities available to us, and indeed our own aspirations, will change dramatically over the next 40 years, just as it has over the past 40 years.

The fact is that one in four Australians will be over the age of 65 in 50 years. This was according to a projected population growth study, and these figures were recently presented at the *Financial Review* Australia’s Ageing Population summit which was held in Melbourne. So the member for Higgins was certainly onto something there.

While the coalition support the increase in the age eligibility to qualify for the age pension, we believe it must be coupled with a strong safety net for those who may be unable to continue, for some reason, to remain in the workforce. Any changes to the pension must be supportable, sustainable and carefully implemented. In releasing the government’s paper *Australia’s demographic challenges* in 2007, the member for Higgins established three policy areas that could lift labour force participation. These included improvements in the capacity for work through better health and education, better incentives for work and improved flexibility in the workplace. I would commend the speech to anyone in this House to read be-

cause I do not think I have time to detail some of the very wise counsel he gave in that paper in relation to those policy matters. But there is no doubt that the former Treasurer was already planning for Australia's future many years ago when we first came into government back in the late 1990s.

This is in contrast to what we are seeing from this government and its lack of capacity, it seems, to provide this House with any concrete details pertaining to this particular aspect of the bill—that is, the aspect of the bill that will require Australians to work longer before they can retire. As the member for Warringah, the shadow minister, said here earlier tonight, the Rudd government must release details of these plans, because they had the Harmer pension review report well before the budget and that should have been released so that we could have proper public discussion about this particular issue. While we do support this, as the shadow minister indicated, we think that there is more work to be done. I am pleased that this legislation is likely to go to a committee hearing to flesh out some of these issues that may give rise to concern to some Australians about the possibility of having to continue in the workplace to the age of 67.

There are issues for people working in the trades sector. One of the issues that the member for Higgins addressed in his paper *Australia's demographic challenges* was the importance of training and retraining. This is the kind of issue that needs to be fleshed out. It is important that the Australian public, and older Australians in particular, have an opportunity to comment on this. It would have been preferable if that had been done before this bill came to this place. Notwithstanding that, none of us in this place would want to see this bill delayed and the benefits of increased pension payments delayed for those in the community who have been facing considerable hardship.

The other issue in relation to that is that the government has not released any details of the savings this measure will create, as we have not seen any clear economic modelling. If individuals are being shifted from the age pension onto other income support benefits such as Newstart or the disability support pension, it is clear that the benefit to the budget bottom line is minimal if not zero. Any lift in the age pension age must take into consideration employment opportunities for mature workers. Again, that is an issue raised by the member for Higgins in *Australia's demographic challenges*.

Again, in the community, the reality is that many employers do not want to employ older people. There are barriers there. These are issues that we need to seriously get to the heart of and address. We need to make sure that people nearing retirement age have other options, for part-time work as well as for full-time work. There are many issues there to be further discussed in the community as we move toward a policy of increasing the retirement age.

The government should be consulting very closely with industry and with small business. When we were in government we removed some of the age discrimination in the workforce within the government, and that was a very important step forward. But there are questions that remain to be asked. What impact will this bill have on those working in the trade sector in the heavier industries? As I said, for many people this will be problematic. What further toll will this have on their health and on Australia's health sector? Again, health issues were raised in the member for Higgins's speech. What retraining facilities are available for older workers, what are we doing about making sure that older workers have access to retraining facilities and does the infrastructure exist for retraining these people and future generations? What about making sure

that more flexible work options exist? These are the kinds of questions, as I said, that have been posed by the member for Higgins. I would like to quote again from the member for Higgins's speech on that paper, where he said:

The Government has already legislated to remove any age discrimination that exists for employment by the Australian Government, and provides leadership in promoting community understanding of the economic and social imperatives of greater participation by mature age people.

He went on to say:

Mature-age workers are vital to our workforce—they are important in our workplaces and we need to support their ongoing participation and the choices they will want to make about work and leisure. This will be more important as Australians grow older and live longer.

These are questions which are yet to be answered. It is vital that they are answered. I am pleased that there will be an opportunity for this bill to go forward to a committee process that will perhaps answer some of the unanswered questions that arise from this particular part of the bill.

The coalition will always fight for a fair deal for senior Australians; we always have. As I said, we did significant things when we were in government, from early on. These are the people that we can all acknowledge have been nation builders and have contributed to the prosperity of this country. They deserve our respect and our thanks. We should not see them battling the way that they have been in the past couple of years. I am pleased to support, along with my colleagues, the main thrust of this bill and look forward to seeing the results of any further committee inquiries into the raising of the pension age.

Ms COLLINS (Franklin) (6.48 pm)—I rise tonight to show my support for the Social Security and Other Legislation Amendment (Pension Reform and Other 2009

Budget Measures) Bill 2009. I do this knowing that the pensioners, carers and people with a disability in my electorate of Franklin have been doing it tough. I want to put on record that I recognise and acknowledge the financial pressures being faced by the many older Australians and that the Rudd government is committed to ensuring they are adequately supported over the long term. That is why I support this legislation, which will facilitate long-awaited pension reform. I commend the Minister for Families, Housing, Community Services and Indigenous Affairs on her efforts to support Australian pensioners and carers in introducing this legislation in the House and the work that she has done to achieve that. This government has taken a tough decision to support pension reform. It is responsible reform to ensure that pensioners are well supported over the longer term. With more than 17,000 pensioners living in my electorate of Franklin, it is a package that I can fully support.

But we need to look a bit at the history and why this pension reform is so necessary. The age pension system has been in use for over 100 years. The age pension was first paid in 1909. It is the largest spending in the Commonwealth's own purpose program. The Australian government spends around \$28 billion per annum on the age pension, so we understand the importance of getting this reform package right. The legislation will introduce a range of measures that are included in the Rudd government's 2009-10 federal budget. These measures will form a secure and sustainable pension reform package.

But this bill is about much more than simply increasing the pension rate. The amendments included in the bill represent our commitment to pensioners and carers and to ensuring that those who are doing it tough are truly given a fair go. These measures will ensure a sustainable pension system well into

the 21st century. This reform process was not something we did overnight. It has not been a knee-jerk reaction. It has been a considered and robust review process. The Harmer review put our 100-year-old pension system under the microscope. It was a significant review that put forward a number of recommendations. There is no doubt that this review has underpinned this pension reform package and there is no doubt that the report done by Dr Harmer and given to this government in February was a critical document that helped shape this government's secure and sustainable pension reform package. As a starting point, the review found that the full single rate pension was inadequate and that payments to single pensioners needed to be lifted from 60 per cent of the payment to couple pensioners to between 64 and 67 per cent.

All this looking into pension reform was done in the context of a global financial crisis and a global recession, but it was done acknowledging that pensioners and those in our community who are doing it tough need support during this time. We certainly have not used that as an excuse not to act. In these difficult financial circumstances we are responding to the review findings, and we have acted. We have acted to increase the pension rate. We are also acting in terms of the income test rules that will change to better target these pension increases. The rate at which the pension is withdrawn for each dollar of additional private income will be increased. All existing pensioners will have their existing entitlements retained in real terms. And, as the demographic changes across our society, we are changing the qualifying age for the age pension. It will progressively increase, beginning in 2017.

The reforms continue for those pensioners that will benefit from paid work. We are introducing a work bonus for older Australians—those Australians who wish to con-

tinue to work past the entitlement age for the age pension. This new work bonus will help age pensioners keep more of the money they earn from continuing to work. It will provide concessional treatment of employment income under the income test once they get over the pension age. Under these new rules, employment income will be assessed fortnightly for a pensioner over the age pension age and then half of all the employment income, up to a maximum of \$500 a fortnight, will be disregarded in the income test. This is great news for all those Australians who continue to work and choose to work, contributing and making their skills and knowledge available to society and their local communities.

This government is providing an additional \$14.2 billion over five years to underpin this financial security for pensioners and to address these increases. From 20 September 2009, the new pension package will deliver the following increases: \$32.49 per week for single pensioners on the full rate of the pension and \$10.14 per week for couple pensioners on the full rate of the pension. These increases lift the ratio between single and couple pensioners from 60 per cent to 66.33 per cent. These provisions apply to the recipients of social security benefits including age pensioners, disability support pensioners and those on wife pension, carer payment, widow B pension and bereavement allowance.

The bill introduces a new pension supplement to simplify the number of other payments currently available in order to provide pensioners with more flexibility in managing their own budgets. The pension supplement will make pension payment arrangements simpler and easier for pensioners to understand. The government is combining the GST supplement, the pharmaceutical allowance, the telephone allowance and the increased assistance into a single, easily un-

derstood pension supplement, which will be paid fortnightly.

The bill also introduces a new seniors supplement, a payment to replace the existing seniors concessional allowance and the telephone allowance currently available to holders of the Commonwealth seniors health card and veterans eligible for the gold card. The single rate of the seniors supplement will include an extra \$129 a year.

The government have undertaken this significant pension reform because we know that pensioners are doing it tough. It was a commitment made by our government and we have acted and delivered quickly on this commitment. As I said, there are more than 17,000 pensioners in my electorate who will benefit from this reform and across Australia there are more than 3.3 million pensioners who will benefit.

We heard earlier from the previous speaker about the demographic changes, about the pension increases and about the cost of the pension increases as the demographic changes occur. I was astounded to hear a speaker on the other side say that this was really all their idea—that even though there are issues with it they are going to support it but that it was really all the idea of the member for Higgins. I find that astounding because, if it were his idea and they are committed to it, why did they not do it in the 12 years during which they were in government? Why in the boom times was it never a priority to increase the age pension and to look at long-term pension reform? They talk about the *Intergenerational report*, but they did nothing about that report; they did not implement it and they did not look at the issues. This government has. We had a review—the Harmer review—and we have acted in 18 months and in the midst of a global financial recession.

To ensure that the pension continues to provide that strong safety net and that it remains sustainable, this government is introducing these reforms now. This is because we know that in this global financial recession pensioners are doing it tough. In order to make sure that the pension age is sustainable, we are gradually lifting the qualifying age for the entitlement to the age pension from the current 65 years to 67 years and starting this gradual process in 2017. We are also increasing the income test, as part of this pension reform, from 40c to 50c—this is part of the findings of the Harmer report.

I have been talking about the demographic changes and the long-term sustainability of this pension reform and there are some statistics that have been the basis of this decision, which I would like to put on the record. By 2047, some 4.7 million Australians will be aged over 65 years. This represents around 25 per cent of the expected population at that time. Currently, there are around five people of working age to support every person aged 65 years and older. This will more than halve to 2.4 people by the year 2047. Australians in the future will receive the age pension for far longer periods than in the past, as our life expectancy continues to grow. Demographic change means that the cost of the pension increases today will double as a share of gross domestic product by 2050.

There are a couple of things we can do when faced with these types of demographic changes. We can do what those on the other side chose to do—which, as I talked about, was not to do anything for 12 years—or we can make a decision and act, as the government have done with this legislation. Building a sustainable pension system requires that the demographic changes be taken into account. It requires leadership. It requires that pensioners be provided with a standard of living. It requires that the future cost of these reforms be taken into account over the

longer term. That is what the government have done—we have looked at all these issues, we have made decisions, we have acted and we are doing what is in the best interests of Australia's long-term future.

This is not a cheap exercise, but we know that pensioners out there have been doing it tough and we know that they deserve this and that is why we are doing it. There has been much debate in the media and in communities around this reform measure—we know that. But it is an approach that will work hand in hand with the work bonus scheme, the change of the age pension, the increase in the age pension and the increase in the age of the age pension over time. This is a range of measures that form a complete package of reform.

I also want to talk about carers. I have put on the record several times in this place my support for carers, and carers have not been forgotten. In fact, we have made a commitment to supporting them, as I have put on the record. I want to note that the Treasurer in his budget speech described Australian carers as 'the unsung heroes of our community'. I certainly could not agree more.

The budget also provided more assistance to carers. It is an investment that I think is worth making—that is, helping those people who are caring for the most vulnerable people in our society. It introduces a number of important measures, such as the \$600 a year carer supplement for all carer payment recipients. This is obviously on top of the increase in their pensions. Recipients of carers allowance will also receive an additional \$600 per year for each eligible person in their care. This will mean that some people will be eligible for the increase in the pension plus both bonus payments. They certainly deserve that and I think that everybody in the Australian community believes that carers deserve that support at this time as the

costs of caring for people have increased over time.

As a member of the House of Representatives Standing Committee on Family, Community, Housing and Youth, whose recent report *Who cares ...?* looked at better support for carers, I am really pleased that we have support from the government and the minister in relation to support for carers. I know that many people on this side support carers in their plight. I look forward to further reforms for carers on some of the issues that they are facing in our community.

Many of the carers I have spoken to talked about the previous budget bonuses and how they provided no certainty and no security. This budget also locks this in as an annual payment that will be made, and I think that that is worth putting on the record. It replaces the ad hoc style that existed previously. There are more than 3,500 carers in my electorate of Franklin, so it will certainly be well received by the recipients and also by the other members of the community in my electorate.

In conclusion, the strong safety net that we talk about in terms of pension reform is obviously needed. It is required now and for the future. This is the reality as this is what the future holds for Australia and we need to deal with it. With this in mind we are laying down a strong foundation of pension reform. We are delivering a long-awaited increase to Australian pensioners as part of that reform. We are increasing the pension, we are increasing the long-term sustainability of the pension system, we are ensuring that pensioners benefit from continuity and we are also simplifying the payments. This government has acted to ensure that the pension system remains adequate and sustainable into the future and that it tackles the reality of the ageing population in Australia and the challenges that this presents.

We have listened to pensioners and other people in the community and we have acted with care and responsibility. We have also listened to carers, as I mentioned. With so many Australians relying on income support and pensions to survive in their day-to-day activities, I commend this bill to the House.

Mr ROBERT (Fadden) (7.02 pm)—I rise to support the Social Security and Other Legislation Amendment (Pension Reform and Other 2009 Budget Measures) Bill 2009. As I move to make some brief comments about the bill it is important to reflect upon where we have come from. The member for Franklin seems to suggest that for the last 10 to 12 years the coalition government did nothing on this, putting aside the indexation of the pension to the male total average weekly earnings, which increased the pension in gross terms by about \$78. That does not sound like nothing to me.

More importantly, in 1996, we came in facing \$96 billion worth of debt and, when the member for Higgins and the coalition government had paid it off, \$56 billion worth of debt had also been paid off in interest alone. The \$96 billion in debt plus \$56 billion in interest amounted to \$152 billion. Let us consider for a second what this nation could have done with \$152 billion. What could the Howard government have done to reform the nation? What infrastructure could have been built? What pension increases could have been made? The mind boggles when you think of the \$152 billion that we were not able to spend on this nation because we were retiring Labor's debt. Over 10 or 11 years, that is \$14 billion a year in gross aggregate terms of Labor debt that we were retiring.

May I say to the member for Franklin: do not walk in to the House of Representatives and say that the coalition government did not achieve outcomes for pensioners, because we

started \$152 billion behind the eight ball, excluding the amount of money required for future superannuation liabilities, for which we left behind \$60 billion in the Future Fund. That is where we started. That was ground zero for the Howard-Costello years and it is arrogant of this government to demand to know why we did not meet all of these social obligations. Let me make it very clear to the government: when you look at what the Howard-Costello years achieved, after starting \$152 billion behind the eight ball, you should join with the rest of the world in saying what an economic miracle that government was. Perhaps deep, deep down in places you do not speak about at parties you will concede that the economic miracle of Australia was indeed the wonder down under.

I come here this evening to support a bill that delivers \$32.49 per week to singles and \$10.14 per week to couples as an increase in pensions. I do it recognising that the new weekly pension plus the added supplement will be an estimated \$336.68 for singles and \$570.50 for couples, notwithstanding that pensions are of course indexed twice annually, in March and September, and the September indexation will affect those numbers. We welcome this long-overdue change to the pension rates and we note the impact and the changes we made to the pension system notwithstanding the \$152 billion worth of handcuffs shackled behind our backs left by the previous Hawke and Keating governments.

I note with interest that last year the coalition put forward a bill to increase the single pension by \$30 and the government knocked it back, yet at a doorstep on 13 June 2007 the now Prime Minister said, 'When I speak to age pensioners in my own electorate they are doing it tough.' Surprise, surprise, Prime Minister: they are. So why didn't you accept our legislation for an increase of \$30 for single pensioners when we put it forward last

year? Why has it taken you two years to achieve the same outcome?

New indexation will also be introduced. A new pension and beneficiary living costs index will be calculated by the Australian Bureau of Statistics. This new index will measure increases in the living costs faced by pensioner and beneficiary households, which can be different to those faced by other households because of the stage in life that they are in. This was a coalition 2007 election promise matched by Labor. Yet the irony is that Labor committed to this in their first budget but failed to ever introduce it. I remind the member for Franklin again against coming here and saying what a poor job the coalition did. Next time, follow the Prime Minister and at least bring in a placard that says, 'We're sorry that we left you \$152 billion behind the eight ball.' I can only imagine the response when the country wakes up and finally tosses the Rudd government out and realises that it is \$300 billion behind the eight ball.

As question time today showed, the current 10-year bond rate on borrowing is 5.25 per cent. Well, 5.25 per cent by \$300 billion is, give or take, almost \$16 billion in interest per annum that this government is looking to saddle the nation with. It does not take a rocket scientist to work out what a nation could do with \$16 billion that was not being paid on Labor interest.

It is good to see that pension rates will continue to be benchmarked to male total average weekly earnings. But I note with interest that the Labor Party promised to introduce a living cost index for age pension householders if elected. I look across at Parliamentary Secretary Gray and ask, 'Have you delivered that yet?' The answer would be no, it has not been delivered. Like so many of Labor's headline-grabbing announcements, it has not been delivered. That

is not surprising, considering that the Prime Minister said three times—clearly, patently and unambiguously—that he would not touch the 30 per cent health rebate. The current health minister, Minister Roxon, said it four times. So seven times on the public record they said that they would not touch the 30 per cent health rebate, and yet it is being means tested. I guess it is very difficult to take this government at face value.

This was confirmed at Senate estimates on Tuesday 2 June. Senator Boyce asked:

Was the ABS living cost index for age pensioner households used to index pensions last year?

The response from Mr Whitecross during estimates was:

No, it was not.

Senator Boyce said:

I am just looking at the note from last year's budget papers, 2008-2009, which says:

'The Government also recognises that many seniors are concerned that their cost of living may rise faster than the consumer price index. To address this, the Government will guarantee that the Age Pension will increase in line with the higher of the consumer price index, increases in male total average weekly earnings or the living cost index for age pensioner households.'

That did not happen?

Mr Innis replied:

The timing of that was just prior to the announcement of the Pension Review, so the government decided to hear the results of the Pension Review before moving to legislation.

It is always good to hide behind a review. Considering that since coming to power this government has commenced 163 reviews, inquiries, commissions, talkfests and summits, it is not surprising, as 163 of them are a lot to hide behind. The coalition certainly welcomes this second new indexation and is pleased that in September of this year pensioners will finally have access to the additional indexation that was promised at the

last election. I also note that the taper rate for the pension income test will increase from 40c to 50c. The government gives with one hand and indeed taketh away with the other.

As part of the reforms that the government is putting through, the age pension eligibility age will increase from 65 to 67 years, that being done on a gradual basis, with full implementation on 1 July 2023. The eligibility age for the age pension for veterans will not be increasing as a result of these changes, which at the very least is pleasing to see. While we provide tentative support to the increase in the eligibility age for the age pension, it must be coupled with a very strong safety net for those who are unable to continue to remain in the workforce. We have a deep affinity for the aged in our community. The strength of a nation, its moral capacity, indeed its compass, can be defined by how we treat those who are elderly, disadvantaged and disabled in our society. It is the heart of a nation and how a nation could well be judged. It is important that we care for these groups of people and, through this piece of legislation, especially those who are elderly. Budget estimates on 2 June confirmed that around 130,000 people each year will have to work longer because of these changes. This is of concern to us.

But what is more concerning is the lack of dialogue with the Australian people. There was no discussion of this; there was no communication; there was no listening to Australian voices on whether they want to see this occur. It was sprung on the Australian people. What happened to the Prime Minister who said, 'I'm going to be open and transparent'? Did his transparency and his openness die once he reached the Treasury benches? I can only assume, based on the facts that we have, that it did.

This government should have been open with the Australian people. It should have

released the Harmer pension review report well before the budget to allow a proper public discussion to occur. The Rudd government must release details of any savings measure that they are attaching to the move of the eligibility age for the age pension from 65 to 67. The economic modelling that allegedly supports it must be released. Any lift in the eligibility age for the age pension must take into consideration employment opportunities for mature age workers. There needs to be a conversation with the Australian people. This is a significant change. The rules have been changed. People planning for retirement need to have the opportunity to plan well without retrospective action. It is important that that dialogue with the Australian people commences now and that Australian voices are able to be heard. While we provide support for this bill, we have a range of concerns. We look forward to the government addressing those as expeditiously as possible.

Ms LIVERMORE (Capricornia) (7.14 pm)—I rise to speak on the Social Security and Other Legislation Amendment (Pension Reform and Other 2009 Budget Measures) Bill 2009. As I rise to speak on the bill, I can only think that for many pensioners this legislation must feel like it has been a long time in coming, but here it is before the House and I am very proud to be part of a government that has delivered on this important measure. The government has been committed to pension reform and, importantly, to ensuring a fair and equitable pension system for all our pensioners since we took office in 2007. We have known since well before then how greatly that pension reform has been needed. I remember that it was the Labor Party, while in opposition, that initiated the Senate inquiry into people living in poverty in Australia. We all took the message from that that this was something that needed to be addressed for those people who rely on

income support payments to survive. Since then we have seen the groundswell of community support behind the push for this particular measure and this legislation.

We said from the outset that we were committed to getting it right. That is why we commissioned the Harmer review into pensions and that is why we are acting on this legislation today which builds on many of the recommendations of the Harmer review. As we have been saying to pensioners since last year's budget, this is not something that we were able to do overnight. It is an enormous task to reform Australia's pension system, but I believe that through that process we have ensured that we are getting it right. As I say, these reforms are underpinned by that very comprehensive Harmer review, a review that included many, many consultation sessions right around the country—and I am pleased to say there was one in Rockhampton, in my electorate, as well—to listen firsthand to the views, the concerns and the experiences of those living on the pension.

These measures introduce long-term security and certainty and also ensure that over time the pension system remains both adequate and sustainable. Of course, that has been the whole essence of what we have tried to do through the Harmer review process and with these reforms—to take the time to get this right and to make sure that it can be sustained in the long term. In this legislation we are introducing the first step of a program that will tackle the challenge of an ageing population and the increased life expectancy among Australians. Laying these foundations now is critical to ensuring an adequate and sustainable standard of living for aged people, carers and people with disabilities, both now and into the future.

As we learned so compellingly through the Harmer review, and particularly that consultation process, so many of our population

who are 65 and over rely on these income payments and rely on the pension to survive. They told the Harmer review and they have told members of parliament that they have worked hard all their lives, they have earned their retirement and they deserve to spend those years in retirement with dignity and some security. That is why this bill is so important and that is why I want to speak in this debate and support the bill.

We are making changes to the pension that could have been made in the last 12 years. They are things that the former government could have taken on board, could have tackled and could have put in place to relieve some of the pressures on pensioners as the cost of living rose, certainly throughout the final years of the Howard government. But, of course, they did not do that. The current opposition, the then government, were good at talking and commissioning reports, but they failed where it matters—when it came to following through with actual reform. Instead, the best that the former government could do was to take this very scattergun approach of bonuses. While of course the money was welcomed by pensioners, by the recipients of those bonuses, that approach ran the risk of turning the question of payments to pensioners into a political football. Even the title 'bonus' really underlines the ad hoc nature of the bonuses, and they certainly did not amount to any kind of reform of the system.

Let's not forget that all of this inactivity and the failure to take on this challenge came at a time when the country was experiencing tremendous growth through the resources boom. Today our government is not facing the economic lucky streak of the Howard government, yet I am proud to say that we are nonetheless tackling pension reform and giving our seniors and carers and those on disability pensions the extra support that they deserve.

This year, 2009, marks the centenary of the age pension. To put that into perspective, the year 1909 was the year that we first had passengers travelling by tram down William Street in my home city of Rockhampton. In 1909 Don Bradman was just one year old and a long way from striking fear into the hearts of English bowlers. So that is how long it has been since there was broadscale and forward-looking reform of this magnitude when it comes to the pension. When the pension first began, the maximum rate was about 10 shillings. The estimates are that there were about 34,000 eligible recipients back then, in 1909, at a time when the average life expectancy was 20 years lower than it is today. The life expectancy then was actually lower than the pension age that was set.

Today we are getting older and living longer, and of course that is good news, but it also presents challenges. The government spends about \$28 billion per annum on the age pension, supporting about 3.3 million age pensioners, and then there are also disability pensioners, carers, wife pensioners and veteran income support recipients. In the Capricornia electorate alone there are about 19,700 people receiving some form of pension. This includes 7,175 on the age partnered rate and 6,234 on the unpartnered rate. On top of that, there are carers and disability support pension recipients. That just gives an idea of the scale of what we are talking about. It is a large and important sector of our community, and that is why it is so vital to get the pension reform right.

As was announced on budget night, under this legislation single pensioners will receive an increase of \$32.49 per week, which comprises a \$30 per week increase in the maximum basic pension rate and a \$2.49 per week increase in the pension supplement. Couple pensioners will receive an increase for a couple combined which wholly consti-

tutes a \$10.14 per week increase in the pension supplement. These increases are on top of the regular indexation, which will be due in September.

This reform has also been about bridging the gap between single and couple pensioners, something that came out loud and clear from the Harmer review. Single pensioners of course do not have the same economies of scale as couples, as the third finding of the Harmer review states. This is especially the case for those who do not own their own home. I refer specifically to the report, where it states:

The Review finds that there is strong evidence that many pensioners in private rental housing face particularly high costs and have poor outcomes. Rent Assistance and social housing have complementary roles to play in addressing the financial security of these pensioners.

I am pleased to say that a very large part of the second stimulus package announced by the government this year included a very significant increase in spending on public and social housing. We expect that that will go a long way towards reducing some of the pressures on pensioners in the private rental market. Of course, that is on top of the National Rental Affordability Scheme, which is also aimed at reducing the costs of housing for people on pensions and low incomes. I am pleased to say that there are already eight social housing projects that have been announced in my electorate, and each of those projects involves multiple units of accommodation. I am looking forward to seeing some of the really acute pressures of the cost of housing and the availability of affordable housing in Rockhampton and the Capricorn coast being relieved when those units become available. So we have increased the pension for both couples and singles, which also helps to bridge the gap between them that was identified so strongly through the Harmer review.

We are bundling the old system of various utility allowances into a simpler to understand pension supplement which will be paid fortnightly. The Harmer review found that one-off lump sum payments were not an effective way of addressing shortcomings in the pension in the long term. We adopted the findings of the review to simplify the bonus payment system and to eliminate uncertainty. We are combining the GST supplement, pharmaceutical allowance, utilities allowance and telephone allowance. This includes an increase, on top of those existing allowances, of \$2.49 for singles and \$10.14 for couples combined, as I said. The supplement will be indexed in March and September each year in line with the CPI. So, for a single pensioner, the supplement will be around two-thirds of the supplement for a couple combined, which goes back to my earlier remarks about the additional challenges facing single pensioners. All up, we estimate the pension supplement will be worth \$1,462 per year for singles and \$2,199 for couples. The supplement will be paid fortnightly, but we have not forgotten the importance of choice and flexibility for people when it comes to their finances. From July next year, pensioners can choose to receive about half of the supplement in quarterly instalments. This will be helpful to those who like to get their payments in larger instalments to meet the costs of big bills such as electricity and car registration.

Ensuring a sustainable pension system for the future also means we are tightening the income test. This will ensure sustainability in the long term and that increases are targeted to the people who are most in need. From 20 September, the income test taper rate will increase from 40c to 50c for each dollar of income over the income test free area. Under the new rules, where a pensioner has ordinary income over the income test free area, their rate of pension will decrease by 50c for

each dollar of income above the free area. For couples, their combined pension will decrease by 50c for each dollar of combined income over the income test free area. Pensions paid to each partner will decrease by 25c for each dollar of income for the couple combined over the income test free area. We are putting in place transitional arrangements to protect existing pensioners who would otherwise face a payment reduction because of changes to the income test.

As we know, some pensioners choose to work to supplement their pension. With this in mind, the government is introducing measures to ensure that there is proper concessional treatment of the income derived from this work. Under the new rules, employment income will be assessed fortnightly for pensioners, and only half of employment income, up to a maximum of \$500 per fortnight, will be assessed in the income test. So, if someone is earning \$500 a fortnight, they stand to be up to \$125 better off thanks to this bonus.

Further amendments in the bill are made to close the Pension Bonus Scheme. The Harmer review found that it was not meeting its objective of encouraging workforce participation. It will be closed to new entrants from 20 September this year, although existing members of the scheme will remain eligible.

One of the major aspects of this legislation and of the reforms that were announced on budget night is that the qualifying age for the age pension will progressively increase, at a rate of six months every two years, beginning in 2017 and reaching 67 in 2023. It is a move that is born out of necessity. We are facing a demographic change in this country, as our life expectancy increases. People are also tending to retire earlier. It is a challenge happening in many parts of the world. Indeed, countries such as the US,

Germany and Norway are already facing similar challenges and are on the path to increasing their pension age as well.

The projections indicate that in Australia, by 2047, the ratio of people of working age to those over 65 will have halved. Today we have about five people of working age for every person over 65; in 2047, we will have 2.4 people for every person over 65. We are facing a scenario where there will be 7.2 million people over 65 in 2047, or about a quarter of the population, compared to about 13 per cent today. This cannot be ignored, hence our moves to increase the pension age.

The people this will affect—those born after 1 July 1952—will have had far more time in the workforce accruing superannuation than previous generations had. Of course we do not expect people to be slogging it out in tough manual jobs into their old age. We as a government are working towards a future where we have established a framework for older citizens where they can tackle other roles and occupations. After all, we are talking about people who will have at least 40 years of experience under their belts. They have valuable knowledge that can be shared with their younger peers. The government is committed to developing a workplace culture which values older people, flexible training and retraining, and new options for career pathway planning.

In this legislation we have also decided to share the pension increase that is coming into place between aged-care providers and those pensioners who are living in aged-care facilities. This ensures that pensioners in homes can benefit from the pension increase while at the same time it recognises that care providers also need additional funds to contribute to costs such as nursing care, food and cleaning. We are also protecting the independent retirees who are already in the system. We do not want to burden them with a

sudden increase in costs, so self-funded retirees in aged care on 19 September will have their existing fee levels protected until they leave. People who enter care after this date will have any cost increase phased in over four years. The arrangements for self-funded retirees will also apply to part-rate pensioners who do not benefit from the pension increase.

These reforms have come with tough decisions, but they are informed decisions, thanks to the Harmer review. This broad-sweeping review took very seriously its role of talking and listening to pensioners. It visited every capital city as well as regional centres, such as Rockhampton in my electorate, and accepted almost 2,000 written submissions.

This legislation will help Australians enjoy a proper and dignified retirement while also positioning us to deal with the demographic changes that we know are coming in the decades ahead. We are bringing fairness to the pension and doing our bit to help recipients as they deal with the ongoing costs of living. We are simplifying the pension system and untangling the complications surrounding the previous supplement system. We are also making sure the pension is fairly targeted and we are able to assist those who need it the most. Finally, we will increase the pension age, starting in 2017, in six-month increments until it reaches the age of 67. These are challenging reforms but I believe they are the right reforms.

Mrs MARKUS (Greenway) (7.32 pm)—I rise to support in principle the Social Security and Other Legislation Amendment (Pension Reform and Other 2009 Budget Measures) Bill 2009 in relation to the impact particularly on Australia's veterans and the veteran community. This bill is an indicator of the Rudd Labor government's strategy to align veterans with the Social Security Act. It

is also an indicator of how the Rudd Labor government is responding to the debt and deficit caused by its reckless spending.

One of the key changes this bill introduces is the increase to the qualifying age for the age pension. The rise in pension age was unfairly sprung on senior Australians just before the budget and is an indication of the arrogance of the Rudd Labor government. In the same way, this bill is being unfairly sprung on the parliament today. There has been no opportunity for the broader community and the veteran community, both veterans and members of the broader ex-service community, to debate the reforms. It is appalling that the bill is being rammed through today. How can we ensure that there are no anomalies and there is no disadvantage? And what about the groups that will miss out? In the absence of any clear economic modelling, we have to surmise that the rise in pension age is a 'savings' measure. This policy direction deserves a fulsome debate, with opportunities for all those who potentially will be impacted not only to understand what it means for them but to give voice to their concerns, to have their questions answered and to be able to put their position clearly.

The bill proudly proclaims that the pension age for veterans will not be increased as a result of the legislation. While that is welcome, it is not quite true. The male veteran age will remain at 60 years, but the age for females in the veteran community to receive payments will gradually increase to align with the male veteran age of 60 by 2013. The pension age for females is currently 58.5 years. The bill goes on to say that for non-veterans under the Veterans' Entitlements Act the pension age will increase in the same manner as the qualifying age for the age pension under the Social Security Act. Here the government is showing its hand, and clarification is required. Here the government is hiving off a section of the veteran commu-

nity and, again, aligning it with the Social Security Act. This government did a similar thing last year when it made changes to the partner service pension. The government attempted to lift the age thresholds, but pressure from both the coalition and the veteran community led to amendments to that legislation. The question needs to be asked: what section of the veteran community will be next?

The bill implements increases to the amount of pensions and allowances for Australia's 3.3 million age pensioners, disability pensioners, carers, and wife and widow B pensioners, and recipients of bereavement allowance, special needs pension and veteran income support. It would seem, however, that there are no increases, no provisions made, for Australia's TPI pensioners. 'Blue' Ryan, the National President of the Australian Federation of Totally and Permanently Incapacitated Ex Servicemen and Women, has raised a number of concerns regarding increases with me.

The Department of Veterans' Affairs ad hoc information system sourced through the Parliamentary Library shows that the number of TPI pensioners as at March 2009 included: 19,737 Vietnam veterans; 3,234 World War II veterans; 2,760 serving members of the Defence Force; 2,329 Korean, Malaya and Far East Strategic Reserves; 254 veterans from the East Timor; 157 members of peacekeeping forces; and veterans from the Gulf War, Afghanistan, Iraq and other operations. In 2009 there were approximately 28,768 recipients on TPI pensions. TPI pensions are compensation payments and it needs to be noted that TPI pensioners have experienced the same cost increases as other income recipients.

Prior to the 2007 election expectations were raised by the Rudd Labor government that this group of veterans would not be left

out. In a letter from 'Blue' Ryan to the Prime Minister, dated 1 June 2009—and I have it here—he wrote:

We are at a loss to understand why the increase to pensions announced in the budget was not passed on to TPIs and other DVA Disability Pension recipients.

There may be some provision in the bill. We have had very little time to have a close look at the bill. We have looked at it to the best of our ability over a very tight time frame, and it needs to be highlighted that not having the time to look at it comprehensively is hardly a democratic process. It is hardly the action of a transparent government, which is what they claimed and argued they were going to be.

What is important to the TPI group is that the relativity of their payments is maintained. When the coalition was in government we closed the gap by increasing all veterans' affairs disability pensions and introduced indexation for payments to veterans with reference to both the consumer price index and the male total average weekly earnings. This group of people who have permanent and major health conditions due to their service to our nation had their expectations raised. I can understand their disappointment.

Last year the coalition tried to secure an increase for pensioners but this was bitterly opposed by the Rudd Labor government. Had the coalition bill been passed, many senior Australians would have already received over \$1,000 in additional income to date. In 2007 Mr Rudd went to the election promising to ease the cost-of-living pressures for senior Australians and, even with a \$22 billion budget surplus left by the former coalition government, he failed to act. When the government announced the first stimulus package there were several veterans—in fact, a number—who missed out. These people

missed out on the stimulus payments and they are again missing out today.

There was one concession given to veterans. Recipients of social security and veterans' entitlements payments who receive payments under certain Western Australian programs will have these amounts excluded from the income test for the purpose of calculating their rate of payment. The Western Australian programs are the Cost of Living Rebate Scheme and the country age pension fuel card scheme. However, this income test concession will start on 1 July 2009 and end on 30 June 2012.

Another major issue that has been raised by senior Australians is superannuation. I note the Rudd government has also decided not to proceed with the measure to include gross tax-free superannuation pension income in the income test for the Commonwealth seniors health card. This measure appears to have been withdrawn, I believe, thanks to the pressure brought to bear by the coalition and seniors groups. Now it is only income that is salary sacrificed into superannuation that will be included in the income test, but that is still a matter of concern within the community.

The pension increases will come into effect from 20 September 2009, and the minister in her second reading speech said that a 'further bill, to be introduced at a later date, will deliver the pension reform measures for veterans and their dependants'. I look forward to seeing the bill foreshadowed by the minister and hope that, at least, when this next bill is introduced the legislation will not be rammed through with little or no opportunity for debate or consultation with the veteran community or the broader community.

Having seen this bill rammed through today, I would have to say that I think this is a grave attack on democracy and it is not reflective of a government that claim to respect

and hold in high regard transparency. I have to say that many senior Australians will benefit from the measures in this bill but there are questions yet to be answered, particularly about those in the veteran community that will be missing out. I will be urging the minister to answer those questions at her earliest convenience.

Ms NEAL (Robertson) (7.43 pm)—I rise to speak today in support of the Social Security and Other Legislation Amendment (Pension Reform and Other 2009 Budget Measures) Bill (No. 1) 2009. I have to say that the member for Greenway is really leading with her chin in this debate today. To see someone who was part of the government for some 11 years stand up and bleat about how they would like to have done something for the pensioners, when they had 11 years, and then complain that this government has not done it after 18 months in government is really quite bizarre. It really shows some sort of delusion about the situation. I really think that the member should consider that it is not just—

Mrs Markus—Mr Deputy Speaker Scott, I raise a point of order. I take offence at being referred to in a derogatory way—as ‘delusional’. I am quite sane and I am here to debate the bill and represent the veteran community.

The DEPUTY SPEAKER (Hon. BC Scott)—I hear the member for Greenway’s point of order. The member for Robertson has heard it also. It would assist the chamber if she would withdraw that comment.

Ms NEAL—Which comment?

The DEPUTY SPEAKER—The member for Greenway wants you to withdraw the comment of ‘delusional’.

Ms NEAL—I am happy to withdraw it to assist the chamber but what I have said is that—

The DEPUTY SPEAKER—Thank you.

Ms NEAL—Just to clarify: what I said was that the member was suffering under a delusion if she felt—

Mr Pearce—Mr Deputy Speaker, I raise a point of order. The member for Robertson has repeated her claim, which you asked her to withdraw. I ask her to withdraw the repeat.

Mr Byrne—Mr Deputy Speaker—

The DEPUTY SPEAKER—I will rule on the point of order. The parliamentary secretary will resume his seat. I understood that the member for Robertson had withdrawn the comment. She has the call and I ask her to bring herself back to the bill before the House.

Ms NEAL—I would like the shadow minister to withdraw his statement because it is untrue, and it is reflecting poorly on me.

The DEPUTY SPEAKER—Are you raising a point of order?

Ms NEAL—I am raising a point of order and saying that what he said was offensive to me and I ask him to withdraw.

The DEPUTY SPEAKER—Member for Aston, it would assist the chamber and it would help this debate move along—the member for Robertson feels aggrieved by the comment, which I would ask you to reflect on.

Mr Pearce—I asked the member for Robertson to withdraw the previous comment. If that offended her I withdraw.

The DEPUTY SPEAKER—Thank you. The member for Robertson has the call and I remind her of the bill before the chamber.

Ms NEAL—The withdrawal is required to be made without comment—

The DEPUTY SPEAKER—Order!

Ms NEAL—The member for Greenway believes that a failing of the previous government that the pensioner community suf-

ferred for some 11 years should be remedied instantly. In fact, when the present government brings a bill before this chamber to remedy the problem that has been identified for the member for Greenway, she complains. She says it is a travesty of democracy. She says that the bill is being rammed through. The fact is that this bill does more for the pensioners of Australia than any legislation that was brought before this House by the previous Howard Liberal government did. I am constantly amazed at their incapacity to have insight into their own policy positions, particularly in relation to pensions.

The measures contained in this wide-ranging and important bill represent one of the most significant reforms of the age pension system since it was introduced in Australia in 1909. The Social Security and Other Legislation Amendment (Pension Reform and Other 2009 Budget Measures) Bill 2009 will adapt the arrangements for paying pensions so that they are better suited to Australia's changing demographic profile. The population of the country is ageing and these new measures will confront the challenges that this provides. The bill introduces increases in the amount of pensioner entitlements and makes the payment scheme simpler and more responsive to pensioners' needs. It does not ignore them. We are not ramming it through. It is actually assisting our pensioners. The bill also brings forth new measures that make the pension system more sustainable in the long term. It is certainly my view and my submission that a more sustainable pension system also assists those who are required to rely on it.

The pension reform bill deals primarily with new arrangements for social security and aged-care legislation. A further bill to be introduced at a later date will deal with reforms in pensions paid to veterans and their dependants, a fact that the previous speaker,

the member for Greenway, did not seem to appreciate.

The current bill will bring new benefits and increased payments to some 3.3 million of Australia's age pensioners, disability pensioners, carers, wife and widow B pensioners, bereavement allowance recipients, special needs pensioners and veteran income support recipients. One of the major benefits under this new bill is an increase in pension payments. I would have thought that was a good thing, not something to be criticised by the opposition.

From 20 September 2009 single pensioners on the full rate will receive a total increase of \$32.49 per week. This increase comprises a \$30 per week rise in the pension base rate plus a \$2.49 increase in the new pension supplement. Pensioner couples on the full rate will receive a total increase of \$10.14 per week. These changes will bring the single rate of pension up to two-thirds of the combined couple rate. This reform restored equity in the relative rates paid to couples and singles by recognising that certain fixed household expenses have in the past impacted to a greater degree on single pensioners. That is certainly something that I have heard on a regular basis from single pensioners who reside on the central coast.

The new total weekly pension plus supplement will be an estimated \$336.68 for singles and \$507.50 for couples combined, with the estimate depending on the size of the September consumer price index rise. This amounts to \$17,507.36 a year for singles and \$26,390 for couples on a combined basis. It is important to note that these pension increases will come on top of the regular indexation increases that are due in September. In addition to this, increases in the cost of living and its impact will be better calculated to meet the needs of pensioners. Under the government's reform package, a

new pensioner and beneficiary living cost index will be calculated by the Australian Bureau of Statistics. This will reflect the increased cost met in reality by our pensioners, not a more broad increase in living costs that the broader community, maybe those not retired, might face. This will identify changes in the living costs for pensioners that may not be as readily reflected by the CPI.

From 20 September 2009 payments to social security and veterans pensions will be adjusted using either the pensioner and beneficiary living cost index or the existing consumer price index—whichever is the higher. Isn't this a better option than the present situation? More significantly, pension rates will also continue to be benchmarked to male total average weekly earnings, as has been the practice in the past. From 20 March 2010 a new pension benchmark for a maximum combined couple rate of pension will set payments at 41.76 per cent of male total average weekly earnings. For single pensioners the rate will be set at two-thirds of the couple rate, at 27.7 per cent of male total average weekly earnings.

One of the most significant of the pension reforms contained in this bill is the new arrangements for supplementary payments and allowances. Under existing arrangements, separate supplements are paid to pensioners to make allowances for the costs of GST, pharmaceuticals, utilities and telephone and/or internet. Supplements are paid in addition to the pension base rate, the changes to which I have already outlined. These various payment categories are cumbersome, inflexible and significantly add to the administrative load in calculating a payment to pensioners. The new framework of pensioner and senior supplements introduced by this bill will make the supplement portion of the pension easier to calculate and understand.

All of the various supplementary payments and allowances will now be rolled into the one payment. From 20 September 2009 the pension supplement will mean that increases of \$2.49 for singles per week and \$10.14 combined for couples per week will be paid on top of the value of existing allowances. The pension supplement will be indexed twice a year, in March and in September, being adjusted in line with increases in the consumer price index. Like the pension base rate, pension supplements for singles will be set at two-thirds of the couple's combined supplement.

As at 20 September 2009 it is estimated that the pension supplement will be worth up to \$1,462.70 a year for singles, or \$28.13 calculated on a weekly basis; and up to \$2,199.60 a year for couples combined, or \$42.30 calculated on a weekly basis. The pension supplement will be reduced as private income and assets increase until reaching a minimum payment of an estimated \$790.40 a year for singles or \$15.20 a week; and \$1,190.80 for couples combined or \$22.90 on a weekly basis. These are estimated amounts as final indexation figures will not be known until late August. However, pension payments will not fall below the minimum amount of the pension supplement until income or assets reach a level that would otherwise reduce a pension to nil. Arrangements for the new pension supplement will provide pensioners with a more flexible payment system and will enable them to better manage their own household and personal budgets. The pension supplement will be paid fortnightly from 20 September 2009 along with the base pension.

From July 2010 pensioners will have the choice of receiving around half of the pension supplement in quarterly instalments. In addition to these changes the new seniors supplement will be introduced from 20 September 2009, replacing the seniors conces-

sion allowance and telephone allowance currently available to holders of the Commonwealth seniors health card. The seniors supplement will only be available as a quarterly payment and will be paid at the same rate as the minimum amount of the pension supplement. The seniors supplement for a single person will be two-thirds of the seniors supplement for a couple combined. Single recipients will benefit in moving to a 66.33 per cent single-couple ratio, which delivers a small rate increase on top of the existing entitlements of \$129 a year. Seniors supplement payments will be an estimated \$790.40 per year for singles and \$1,190.80 a year for couples from September 2009. Increases in the pension supplement and minimum amounts for couples combined and for singles will flow through to increases in the seniors supplement. This will mean pensioners cannot receive fewer supplements than eligible self-funded retirees.

Australia's pension system faces enormous challenges in the face of long-term demographic changes. All the changes in the bill that I have outlined mean increases, higher payments and more flexibility for pensioners, but with an increasing proportion of older people in our population pressure is mounting to ensure the age pension is targeted at those most in need. Pension reforms must be framed with a view to the long-term sustainability of the system itself because, if the pension system is not sustainable, it will not continue to exist and it will not benefit those who receive payments from it.

With these principles in mind, the Rudd Labor government in its 2009 budget committed itself to the introduction of a secure and sustainable pension reform package. Part of this package proposed a tightening of the pension income test. The measure will provide long-term security and certainty for the pension system. From 20 September 2009 the pension income test taper rate will in-

crease from 40c to 50c for each dollar of income over the income-test-free area. To ease a burden that this change may cause to some pensioners, the government proposes a transitional safety net. Current payment rates for part-time pensioners will be maintained in real terms, with indexation in line with increases in the CPI. Affected pensioners will also benefit from an increase of \$10.14 per week for singles or couples combined. They will continue to receive those existing entitlements, including the increase, until they are better off under the new pension rules, including the new 50c income test withdrawal rate.

Another measure that is designed to enhance the sustainability of Australia's social security system is the provision to increase the age pension age from 65 to 67 years—an item that received quite some coverage when the budget was first announced. This measure will be introduced gradually, with full implementation not to be until July 2023. There will be no impact on current pension recipients and the phased introduction will allow those who will be affected to plan for their retirement well in advance. The pension age for veterans will not be affected.

The increase in the age pension age is another recognition by the Rudd Labor government of the slow but immense demographic change occurring as we speak in Australia. Over the past several decades there have been significant improvements in the life expectancy of the Australian population. This measure is a response to the costs of that demographic change, costs that must be borne by all Australians and the shrinking working population of Australians.

The nation's people are living much longer and are enjoying healthier and more active lives than they were in 1909 when the pension age was first formulated in law. Many older people are expecting and looking

forward to continuing their active participation in employment. I have to say that that is certainly my experience. My father, who is now 70, continues to work full time and my mother, who is only 18 months younger, has only retired in the last year. Frankly, because they have continued to work I think they enjoy life more than they would have if they had retired and done less.

To recognise and reward those Australians of pension age who choose to take up paid work to supplement their pensions the government will introduce a work bonus scheme. This scheme will allow pensioners who do some work to keep more of their earnings. Employment income will be assessed every fortnight but only half of all employment income—up to a maximum of \$500 a fortnight—will be assessed in the income test. Someone earning \$500 per fortnight will thus be \$125 per fortnight better off under the new work bonus scheme. This bill will close the existing pension bonus scheme, which the Harmer pension review found did little to encourage older Australians to participate in employment, which as I have said I think is good for both them and the community at large.

The object of increasing the flexibility of the pension scheme for those who receive a pension is behind another innovative measure in this bill that improves access to advance payments. Advance payments are lump-sum prepayments of a pensioner's entitlements, which can then be repaid in instalments. The bill will increase the maximum allowable advance from \$500 to around \$1,000 for singles and \$1,500 for couples. This provision builds in greater flexibility for pensioners, giving them greater control over their finances. It recognises that they are responsible individuals who are capable of managing their own affairs.

This bill also contains added benefits and protection for those pensioners who reside in aged-care facilities. Both pensioners in aged care and the aged-care provider will receive increases from this new pension arrangement. Of the pension increase for singles, \$10.09 per week will go to the pensioner and \$22.40 per week will go to the residential aged-care provider through an increase to the basic daily fee. Fees charged to self-funded retirees are based on the amount of pension they receive, but the bill includes some protections for them too. Self-funded retirees in residential aged care at 19 September 2009 will have their fees pegged until they leave the facility. Those entering after that date will have their fee rises phased in over four years.

This pension reform bill will establish the Australian pension system on a more equitable and sustainable basis. In the end I guess the most important thing about this bill is that it reforms the pension, takes action and provides pensioners with a better payment to suit the cost of living. That is a lot more than was done in the 11 years of the previous government. (*Time expired*)

Mr NEVILLE (Hinkler) (8.03 pm)—It is a pleasure to speak in the debate on the Social Security and Other Legislation Amendment (Pension Reform and Other 2009 Budget Measures) Bill 2009. I represent the electorate of Hinkler, which is very much a lifestyle electorate. It is extraordinarily popular, with people moving to the area. I have 21,000 constituents on the pension and the highest profile of constituents above 65 years of age, so it should be no surprise to the parliament that I take a profound interest in the matter before the House tonight.

I have been following this issue for some time. In the last year of the Howard government I raised on a number of occasions in the party room increasing the single pension be-

cause it was becoming increasingly evident at that time that there was quite a problem in the aged community. Pensioners in particular but also some self-funded retirees were having a number of difficulties. People would come to my office and tell me that it was getting increasingly harder to pay rates, maintain a car and pay the gas and electricity bills and that the price of fruit and vegetables had gone up as a result of the drought and the increase in the price of petrol added to the running costs of the car. Of course, some country areas do not have a public bus system. That is not the case in the city areas of Bundaberg and Hervey Bay, but in other parts of my electorate it was markedly difficult. So I welcome an increase in the pension, and I particularly welcome an increase in the single pension.

I will be totally honest with the House: I did not favour the pre-Christmas bonus that the government put out. I wanted to see that money go to pensioners. I thought the mix was all wrong. I thought it would have been much better to have paid a bonus of \$500 to singles and \$750 to couples and then put the remaining amount of the money that had been put aside for those bonuses into an immediate increase in the pension, because the one thing pensioners said to me as part of these interviews was: 'We want certainty about this.' Had we gone that way, by now pensioners probably would not be looking at \$30; they would be looking at a pension topped up by around \$40.

I did predict at the time that, by the time we got to actually handling the pension itself, six months or more would have slipped by. And that was the case, because the government was not going to do anything, having given out all that money at Christmas and then more recently with its other infrastructure package. The government was not going to give out any more money before the budget. On top of that, I knew that, when

they did do it, it would have to be debated—as indeed we are debating it tonight and it would then have to go into the social security system and adjustments would have to happen as we moved toward September—the September-March adjustments. A lot of this will not come into full effect until September. So, rather than getting something in December on a permanent basis, to see the total fulfilment of this measure pensioners will be waiting nearly nine months. In these economic times, that is pretty tough going, and I do not think it values the Australian pensioner nearly well enough.

Yes, \$30 will be welcome and it goes some way to correcting this problem of the single pensioner trying to keep up with the pensioner couple. I do not want to make it an us-and-them debate, but it is clearly obvious that it costs you almost as much to maintain a house for one person as it does for two—to pay the rates, to pay gas and electricity, to pay maintenance on the house and so on. Certainly, other things, like food, would be cheaper. But what the government has proposed that I do agree with is taking the single pension up to 66.33 per cent of the couple pension.

However, again, I would have approached it in a different way. I think what I would have done would have been to also increase the couple pension slightly. In real terms the couple pension has not increased. There has been a \$10.14 increase in the pension supplement, and that will be welcome. That is much more than the \$2.49 for the single pension supplement. I am not discounting the value of that. And I realise that, had you given a couple pension a straight pension increase, you would have had to approach getting up to this 66 per cent level in another step, in perhaps September this year or March next year. I thought that would have been better, because with no increase at all in the couple pension we have fixed up part of

the agenda—the single side—but we have left the couple pensioners a little bit behind. I think if we had taken this in two steps, with an increase in the couple pension, it would have gone down better. However, I am not decrying the fact that the \$30 will be welcome.

If you look at the overall pension supplement now, the increase of \$2.49 for the singles takes them up to \$1,462 a year and the increase of \$10.14 for the couples translates to \$42.30 week and a gross amount for the year of nearly \$2,200. I think that is helpful, and it rolls in a lot of payments of previous governments and things like the GST supplement, the pharmacy allowance, the utilities allowance and the telephone allowance—with due consideration, of course, to internet. In one respect that might be tidier, for people who can budget. For people who do not, it does pose some difficulties. But I think the government have foreseen that, in that they are going to allow half the pension supplement to be taken as a quarterly payment. I hope I have this right. I did some work on this. It occurred to me that the single pensioner would get a cheque of about \$182.50 a quarter, give or take a dollar or so, and the couples would receive about \$275 a quarter. For people who have trouble with budgeting, or who want to have a built-in form of saving, I think that would be quite good. But bear this in mind: for the couple pensioner to do that their weekly amount will actually slip back. What they will receive now will actually have slipped back from what they were receiving before. Sure, it will catch up over time. With the single pensioner, the large increase, and taking half, should not have the same impact.

The government has moved to three different forms of assessment. It has often been said by the opposition, including the last speaker, that we did nothing for pensioners. That is patently untrue. Pensioners are proba-

bly about \$40 a fortnight better off now than they would have been had we stuck to the old Keating model, because we introduced a MTAW factor of 25 per cent and, with CPI, whichever of those two had the highest rating for that period was taken as the benchmark and added to the pension. The government has introduced a third level. They have called it the 'living cost index for age pension households'—a fairly convoluted name. In short, it focuses in on those particular items that would affect a pension household and not a lot of the generalities that appear in the CPI that probably are quite irrelevant to pensioners. So the pension will be adjusted in future on whichever of these three scales is the greater. I think that is fair enough. That is accepting the principle of the previous government that you go to the highest measure in helping pensioners. That will be fully implemented in March 2010. Overall, I think the opposition welcomes aspects of this.

When we go to the taper test, however, an element of mean-spiritedness seems to have crept into the government's agenda. Previously, we had been easing the taper test. That was an encouragement to pensioners who wanted to work, especially those who wanted to work part time—to be able to earn an amount of money over and above the limit that was set, be they a single or a couple, and to retain 60 per cent of what they earned. In other words, they paid 40 per cent to the government.

Under this measure, we have slipped back. We have gone back to fifty-fifty again. I think that shows a mean streak and it runs contrary to what the government is professing to do in this social security bill. I find that a bit bewildering. I sometimes wonder—and I do not say this intending any offence to my government colleagues—whether you change the names of some of these programs just because they were the Liberals' or the Nationals' ideas.

Let me give you an example: the co-contribution payment for superannuation. It is very generous. It was 150 per cent. For every \$100 that someone put in, the government put in another \$150. You have reduced that to \$100 against \$100. Why? Why would you do a thing like that? Isn't the whole idea of that to give people on very modest incomes—and there are a lot of people there, lower and middle income people—a chance to build a nest egg that gives them some dignity in their later life? And the bonus for the government is that they are less dependent on the pension. So why would you try to stop that? Is it just because you wanted to change what the Liberals and the Nationals put in place in the last government? This taper test is another example.

Then we had a bonus scheme. If people worked beyond 65, you could get up to around \$33,000 if you did the whole five years. Certainly there was a carrot and stick in that, but a lot of people found that very appealing—that they could have a nest egg of \$33,000 when they reached their 70th birthday. I could stand corrected on this, but I understand that people on that scheme will be grandfathered until that scheme is finished. In the short time we had to prepare for this debate, I could not clarify that. If they are to be grandfathered, then I think that is probably fair enough.

But you have replaced it with what I think is a very bureaucratic sort of measure. That is this work bonus. If you work on, up to a maximum of \$500 per fortnight, or \$250 per week, you will only be assessed on half of that for the income test. It is certainly a positive step in one sense, but I think it is not as tidy. It is a lot messier than the other bonus scheme, to my way of thinking. The other scheme really gives you something substantial when you get to 70, whereas I suppose this one would be helpful if it suits you to do

a certain number of hours a week, but I do not think it is quite as tidy as the other one.

In the remaining minutes, I want to talk about the increase in the age for the age pension. In effect, that will become the benchmark for retirement. Everything over time will probably spin off that. As a member of parliament, I do not particularly want to tell my fellow Australians that the time is coming when people are going to have to work beyond 65. But, if we are honest, we have to realise that at present there are five working Australians for every pensioner, every welfare recipient. By 2040—and that is only 30 years away—it will be 2½ working Australians for every pensioner. That is scary. You have to make provision for these things early. For that reason I am, somewhat reluctantly, going to support the government's measure.

I think that Australians are much healthier than they were when the retirement age of 65 was introduced. You only had seven or eight years left after that, based on the longevity figures when it was introduced. The mortality rate was much higher. Medicine, drugs and a better quality of living have come to Australia over the years. We live to much riper old ages. We really have to ask, for many of us: 'Well, what will we be doing when we are 65, 85, 90 or even older? Are we not capable of making a contribution not only to young Australians but to other retiring Australians that follow us?' I think this is a very important issue.

I believe a measure should be put in place because a lot of people work very hard, especially in the building industry—brickies, construction workers and so on. There are people who work in rural industry, shearers and so on, whose backs give out at an early age. People who work in rural industry throughout Australia have very tough lives and I can well understand that they would

want to retire at 65. So I propose—this is not necessarily the coalition’s position; it is just my suggestion—that we reintroduce a mature age pension that would be available to people like that between the ages of 62 and 67 so that, when their physical abilities had started to fail, albeit that they were not disabled or invalided in any way, and they could not get a job or found it very difficult to do that heavy sort of work, there was an escape hatch for them. I believe a mature age pension for people from 62 to 67 is the answer.

On that note, I support the bill. I think there are a number of little mean measures in there that diminish it in a lot of ways. I think it could be improved, and I hope it is improved, in subsequent budgets.

Mr NEUMANN (Blair) (8.23 pm)—I speak in support of the Social Security and Other Legislation Amendment (Pension Reform and Other 2009 Budget Measures) Bill 2009. How we treat those with disability, our carers and our senior citizens—those who have gone before us and made this country what it is—says a lot about what we expect our country to become and of our aspirations for the future, not just for ourselves but for our children. If we neglect those who have gone before us—our senior citizens of 60 years of age and older—what does that say about us? What does it say about what we expect our society to be when we become senior citizens? We have 3.3 million age pensioners, disability pensioners, carers, wife pensioners and veteran income support recipients in Australia. They will benefit from these pension payments.

This reform package does improve the adequacy of the pension system and ensures its security and sustainability in the long term. We must have a system of social security in this country which is responsive to the requirements of individuals and families in our community and we must ensure its long-

term sustainability. We cannot do that unless we make reforms. The reforms being undertaken here are long overdue and make the pension system in this country fairer and simpler. These reforms give certainty and security and are adequate in the circumstances. The reforms tackle the reality that we have an ageing population. In terms of longevity, only Japan surpasses us. The situation in this country is that, if we do not do something about our social security system in the long term, it cannot be sustained. What sort of social security system are we going to leave for those who come after us, our children and their children?

The age pension was first paid in 1909, so this year marks its centenary—and that is important. The age pension is the largest-spending Commonwealth own-purpose program. That is the reality. The federal government spends in excess of \$28 billion per annum on the aged-care and other pensions. It is a big-ticket item in the budget; it is a very important item. Millions of Australians will be affected by these reforms.

The member for Hinkler always says interesting things. He comes from a truly beautiful part of Queensland—Hervey Bay is simply a wonderful place. I am always interested to hear what the member for Hinkler says. He has been here a long time; he is a man of some experience. His longevity in his seat shows that obviously he has been working hard in his electorate for a long time. But I have to pull him up on something. He said that the Howard coalition government made substantial changes to help pensioners. The truth is they did not. There was 12 years of neglect. The truth is that, for 12 years, the Liberals and Nationals knew that the single pension was simply inadequate, and yet they did nothing. They covered it up with these ad hoc payments from time to time to conceal the inadequacy of the basic pension. We know that the former member for Longman,

Mal Brough, took to the Howard-Costello cabinet the notion to increase the basic pension in 2007. We know he took it to cabinet and we know they said no. Those ad hoc payments were made simply to cover up the inadequacy of the single age pension—that is the reality.

We know, of course, that the Household, Income and Labour Dynamics in Australia Survey showed very clearly that the Howard coalition government failed in this area. Let us look at the report handed down today. Between 2001 and 2006 rates of income poverty were consistently highest among the elderly, particularly single person elderly households, and that one in three elderly people living alone spent all their years in poverty. This was 2001 to 2006. We were not in power then. The Howard-Costello government was in power. Twenty per cent of the persistently poor were over 65 years of age, compared with 11 per cent of the non-poor. Income mobility was considerably lower for elderly people than for non-elderly people, and mobility was more downward than upward. That is the reality. That is an independent survey in relation to this matter—it cannot be denied because that is the reality. A number of ad hoc payments were made to cover up the failure to lift the basic single rate of pension. That is the reality.

The member for Higgins, whom I wish well in his retirement, actually knew about this and, on 16 April 2002, he said: ‘The population is ageing and we have got to think about how we’re going to cope with that.’ The coalition were in power until November 2007 and what do they do about it? Zero, in fact. That is the reality. He said a number of times—

Debate interrupted.

ADJOURNMENT

The **SPEAKER**—Order! It being 8.30 pm, I propose the question:

That the House do now adjourn.

Solar Energy

Mr JOHNSON (Ryan) (8.30 pm)—It only took eight hours for the federal Minister for the Environment, Heritage and the Arts to disappoint the people of Australia who are interested in solar panel installation. Why are they disappointed? They are disappointed because the Rudd government had promised in its budget that the \$8,000 rebate would continue until 30 June. Of course, as we now know, the Rudd government’s spin, talk, hype and rhetoric have proved to really exist.

The people of Ryan will certainly be very upset about this. If those in the government do not believe me as a member of the opposition and as the member for Ryan then they can take it from everyday Australians. Take it from Mr Gary Solomons, who lives in the Ryan electorate. In an email to me on the morning of Wednesday, 10 June he said:

Dear Mr Johnson

... ..

Many reports today indicate that Peter Garrett stated the program would run till the end of June, and today he says that was a date picked by the sellers/marketers of the solar panels. They have been advertising this date for many months, so if it was incorrect, why haven’t the government made them change their apparent “false advertising”? I can only conclude that it was not false.

This is just one more nail in the coffin of the Labor Government. Any votes that were bought with the 1st and 2nd “Economic Stimulus Package”, would now be dwindling away as the electors see the real Government coming to light.

I believe this is going to be a one-term Labor Government, and I look forward to the current “Opposition”, for all its faults, being returned to power at the next Federal election.

Gary Solomons

To that I say: hear, hear! Thank you, Mr Solomons. Many others have indicated their absolute disgust at this.

Mr Garrett himself defends his and the government's position by saying:

We didn't say that it would end on June 30 and we did say that we'd work with the industry to transition new arrangements.

But what did he say on 17 December last year when he was asked about this? This was put to him:

So the rebate and the means test will be phased out after the 1st July next year in favour of the new system.

He was asked: is that correct? The response from the minister for the environment was:

That's correct. From July the 1st, we will provide upfront assistance in the form of solar credits for new small-scale solar, wind, and hydro renewables.

This is just treachery; this is betrayal.

The people of Ryan certainly have become aware of the spin, hype and rhetoric that exists in this government. How can you trust a minister in the government making a statement in the budget and then going back on it? There has to be something that ordinary people can rely on. This is what a businessman says:

It's just crazy that the Government had a policy that worked and they have canned it. It was an ambush, there was no warning at all for people like me, but I think that was their aim. It was just a victim of its own success.

This is an appalling situation. The federal government have led people to believe that they are the party for the environment, that they are the party for improving the way we look after our local communities and that they are the party that can best tackle issues around climate change and global warming. I say that is just absolutely bonkers. This is not an authentic government in terms of their policy on renewables.

I certainly want to put on the record that we do need to explore all kinds of renewable energy options. We need to explore solar,

ethanol, geothermal and tidal energy. Nuclear is an issue that we have to come to terms with. We have to have that debate in this country. I know that the people of Ryan want substantive debate from members of parliament and from the government, not engagement in misleading rhetoric that will completely disenfranchise and affect small businesses around the country. Even the Greens do not agree with the government, which certainly says something. I just call on the government to revisit this. I know the wiser heads in the government are concerned because bit by bit, suburb by suburb, street by street, the government is fast losing its support. I know from my own feedback that the people in the Ryan electorate who may have had some warmth for the government certainly do not see the government in the very best of light today. (*Time expired*)

Building the Education Revolution Program

Mr CHAMPION (Wakefield) (8.35 pm)—It always pays to keep an eye on history when you are in this parliament. Today we saw the deliberate attempt by the opposition to undermine the government's Building the Education Revolution program. In the same way they have tried to undermine the computers in schools program; in the same way they have tried to undermine the trade centres program. This tactic is straight out of the conservative play book of the Republican Right in the United States of America. We know that the Republicans were stuck in a permanent minority status because of their opposition to the popular, depression-breaking New Deal and Great Society programs that were brought in in the 1960s. They decided to embark on a deliberate strategy of misrepresentation to undermine the great support for these programs. They picked one or two small things, they misrepresented them, they blew them out of proportion, they presented them out of context, they

generated sensational headlines that did not reflect the reality of these programs, and then they used that process to undermine the integrity of the whole program of government spending, retirement incomes and the like.

This is a fundamentally dishonest strategy. We now see it at work in this parliament under the direction of the member for Sturt. I have seen this first-hand in my state of South Australia with regard to computers in schools. The member for Sturt has a regular spot on 891 ABC Radio in Adelaide where he claimed that the computers in schools program was not working and schools were not getting what they wanted. He went on and on. Eventually people started to call in about the number of computers that were being delivered to their schools.

On the ground it was a completely different story. At Trinity College, in my own electorate, we had computers in classrooms being used by students right at that moment. There were 123 computers at Trinity College North, 65 at Trinity College South, 16 at Gawler River and 19 at Blakeview. All of these campuses are in my electorate. There were hundreds of computers delivered to students, who were using them. It was the same with the Trade Training Centres in Schools Program. The member for Sturt was out there undermining this program, yet on the ground—in this case in the heart of conservative South Australia and the heart of country South Australia—there were schools at Balaclava, Clare, Riverton and Burra putting together a package to have trades training in their schools because of this program.

Today in question time we saw all these conservative MPs—the member for Sturt, the member for Mayo—out to smear the greatest school modernisation program in Australia's history. They do not have the courage to go to these schools and say, 'You can't have the halls; you can't have the libraries; you can't

have the new classrooms.' They do not have the courage to do that, so they seek to whine and nitpick at the edges of this great program in order to undermine public support. It is a deceptive tactic. It is a deliberate desire to undermine and to run this guerrilla war to prevent new school infrastructure being developed. They will not go up to Clare Primary School and say, 'You can't have \$2 million to construct a new library.' They will not go to St Joseph's in Clare and say, 'You can't have nearly \$2 million for a refurbished library and new classrooms.' You will not see Clare local Sean Edwards, State President of the Liberal Party and Senate wannabe, opposing local investments in these great country schools. What you will see is the Liberal Party sliding around with these nitpicking, deceptive criticisms which all have one purpose, and that is to prevent spending on schools and to undermine this great program, which is a response to the biggest financial collapse we have seen since the Great Depression. Thirty banks have been either nationalised or taken into some sort of government mandate. It is a terrible economic crisis. This school modernisation program is a key part of our strategy to prevent recession in this country, and we have seen early signs of success.

So we have a pretty clear choice: a government that will act to combat the world recession and that has begun the largest school modernisation program in history, which is helping schools in my electorate from Angle Vale to Wasleys and from Craigmore to Two Wells, or an opposition that is so small and so lacking in dignity, integrity and courage that it is reduced to the most debased and dishonest tactics because it has no program of its own.

Gippsland Electorate: Insulin Pump Therapy Program

Mr CHESTER (Gippsland) (8.40 pm)—I rise this evening to lend my support to an initiative being driven by a small medical clinic in Sale. This program provides valuable assistance to young Gippslanders who are managing the complications associated with type 1 diabetes. Dr Peter Goss from Gippsland Paediatrics has been instrumental in delivering a program that has so far provided 42 young people across Gippsland with the quality of life that they had not known since being diagnosed with diabetes. The program has seen Gippsland Paediatrics supply more than 60 per cent of child and adolescent type 1 diabetes patients in their care with their own insulin pump therapy program. This figure represents twice the percentage of children and adolescents on insulin pump therapy programs in any given metropolitan clinic throughout Australia. It is a medical milestone in its own right, but more important is the improvement to the quality of life for local children which was previously well below the levels of quality of life experienced by urban children with the same ailment.

Another major revelation of the work conducted by Dr Goss and his team at Gippsland Paediatrics has been the resulting levels of control in the management of the disease. Using the insulin pump therapy program, Dr Goss and his team have achieved results which are better than published international standards. It is a major achievement for a small clinic like Gippsland Paediatrics to become a national and international leader in insulin pump therapy. That is why I have taken the opportunity to speak to the House today. I wish to commend the great work of Dr Goss and his team at Gippsland Paediatrics and also to take up his point that insulin pumps are badly underutilised in Australia

and must be made more accessible to children and adolescents.

As Dr Goss points out, the current sponsorship policy is heavily reliant upon donations from service groups to make up the funding shortfalls for individuals. A large proportion of the insulin pump therapy program conducted by Gippsland Paediatrics has been funded by local charity organisations, and I publicly salute them for their work. These organisations have recognised the benefits associated with insulin pump therapy for children and have fundraised to help families meet the costs associated with the program. Without their work, many children would miss out. Currently, the government offers \$2,500 towards an \$8,000 insulin pump and the families of children with type 1 diabetes are expected to pick up the tab for the remaining \$5,500. I have previously written to the Minister for Health and Ageing seeking her support on this issue and outlining the results of Dr Goss's work, and I am hopeful that the minister will see the merits of the program.

Just last Friday, I had the opportunity to meet parents at the Gippsland Paediatrics clinic and discuss the benefits of this program with them. Along with meeting Dr Goss and his outstanding team, I met 10-year-old Tobias Hall, who had only started on the insulin pump therapy program one month before. Tobias is a keen footballer—in fact, his father, Darren, was an exceptional footballer and coach in the Sale district. Tobias told me that he feels normal now. Since he started the program, he does not have to worry about eating at certain times or if he wants to go for a kick of the footy with his mates or a dip at the local swimming pool. Similarly, Emily Wise, a 13-year-old who recently commenced insulin pump therapy, and her mother, Jo, cannot believe the improvements the program has made to their life in such a short period of time. Jo told me

that she used to go on school camps with Emily, such was the severity of her condition, but that Emily has now become largely independent and has grown in both stature and self-confidence.

When young patients and their doctors highlight the amazing success of this program, it is up to us to find ways to help more young Australians in the same manner. I urge the minister to take a close look at the documents I have provided and the recommendations made by Dr Goss during his recent speech to the National Rural Health Conference in Cairns. Dr Goss pointed out that the impact of type 1 diabetes is significant, with life expectancy reduced by up to 15 years, that over 50 per cent of patients with type 1 diabetes will develop severe health complications after 20 years as a result of the disease and that maintaining optimal glycaemic control minimises the risk of complications. So there is an urgency involved with addressing the discriminatory lack of access, by rural children in particular, to the available optimal diabetes services. Insulin pump therapy is going to be at least part of the answer in the future.

The Gippsland Paediatrics team is leading the way and the results have been published for all to see, but what is not published are the smiles on the faces of the young people and their parents who are now in a much better position to manage the disease. I commend Dr Goss and his team for their work and urge the government to see what support they can offer in the future.

Suicide

Mr SIDEBOTTOM (Braddon) (8.44 pm)—I rise tonight to speak about two programs aimed at both preventing, and assisting in the aftermath of, suicide in our community. We all know of the devastating impact a death by suicide has, particularly when it is a young person. I would like to

commend the efforts in prevention by the OzHelp Foundation in Tasmania. I very recently met with OzHelp Chairman Royce Fairbrother, who some members may remember was the inaugural winner of the minister for employment's award for commitment to Australian apprentices last year through his building company, Fairbrother Building Contractors. The company has employed hundreds of apprentices over its history, particularly in my region. Royce told me about OzHelp, a program which he has been passionately involved in and which he hopes to see continue well into the future.

OzHelp is a work based suicide prevention, early intervention and social-capacity-building program that began in 2007 as a response to the disturbing incidence of suicide in my home state of Tasmania. The OzHelp program actually began here in the ACT in 2001, following the tragic deaths of three apprentices in the building industry. Research showed that suicide mortality rates in the building and construction industry were an alarming 75 per cent higher than the Australian male rates. Driven by the knowledge that suicide was a serious problem in Tasmania, key players in the building industry identified the merits of OzHelp in 2006 and in the following year the Tasmanian chapter was born.

The OzHelp program is a proactive workplace suicide prevention service that builds individual resilience, increases help-seeking behaviour and bridges the gap between those at risk and the existing professional services available to them. Rather than reinventing the wheel, OzHelp works collaboratively with all stakeholders, including general community health services, related non-government services, apprenticeship training organisations, drug and alcohol groups and many more. In Tasmania it has been warmly welcomed and is now up and running, with strong support from within the building in-

dustry. It has been so successful and the model developed is so well regarded that another iconic Tasmanian business, the Federal Group of hotels, and others have moved to join in a pilot to extend the service delivery model to three other sectors.

In its first 18 months in operation, the foundation provided training to more than 460 clients, which included apprentices and employees across the state. The OzHelp team also delivered 22 industry and workplace suicide awareness presentations to 450 clients and more than 1,200 hours of direct and indirect client support to an average of 22 clients a month. In a survey of 21 employers conducted externally by the University of Tasmania's University Department of Rural Health, 38 per cent reported health gains in the workplace, 48 per cent indicated economic gains in the workplace, 72 per cent indicated social gains in the workplace and 100 per cent indicated that they would recommend the partnership to others. Overall, employers were unanimously in support of the program. Feedback from the many apprentices who have taken part in the training has also been very positive, which I believe is a very telling factor. OzHelp is a great way to avoid the tragedy of suicide, and I would recommend that anyone who can find out more and does what they can to support it.

Unfortunately, we must also prepare to respond when the preventative means such as OzHelp are not enough and someone does take their life. That is where groups such as StandBy come in. I am pleased to see the StandBy Response Service being expanded by Choose Life Services into the north-west and north of Tasmania and funded by the Australian government Department of Health and Ageing. StandBy is a coordinated, community based response to assist families, friends and associates who have been bereaved through a suicide. It was first established on the Sunshine Coast in Queensland

in 2002 and provides a flexible response to cases of suicide, whether they are local or in another location, affecting local people. They can also respond to schools, workplaces, community groups and other areas where bereavement has had an impact. The response from StandBy can be immediate or a follow-up at invitation, depending on the needs of the people involved. It begins with those from the emergency services who first respond to a situation and then goes to those who are impacted by the death.

What makes StandBy work well is collaboration. It involves a mix of local, state and federal government and non-government services to provide a community based response to suicide. This is a community problem, and StandBy is an important part of the community response. I wish the regional coordinator, Wendy French, every best wish in rolling out this invaluable service. (*Time expired*)

Child Sexual Abuse

Mrs MIRABELLA (Indi) (8.49 pm)—I rise with a heavy heart this evening to talk about an issue that deeply cuts into community, destroys families and destroys lives. I am speaking this evening about child sexual abuse. It is not a palatable issue. It is not something that people like to speak about, because it is one of those very distasteful, awful and disturbing issues. Sometimes those who try to raise these issues receive all sorts of criticisms. I was moved to again think deeply about this issue after the sentence brought down in the case of the DPP v LW, on 15 June 2009 in the criminal division of the Supreme Court in Victoria. In this case, a mother was sentenced to six years imprisonment because she was found guilty of incitement to murder her stepfather. Her stepfather had been charged with an offence after a complaint was made to police. He had sexually assaulted the woman's 12-year-old

daughter. I thought to myself that it would be very interesting to find out what sort of punishment the stepfather received and, although I cannot be 100 per cent sure, I have received advice that his sentence was far more lenient. So this woman's stepfather molested her daughter and he received a lenient sentence, while she received a far less lenient sentence after she was found guilty of incitement to murder the man who committed this heinous crime against her daughter.

Over the last few days, I have said to people, 'What would you do if you found A, B, or C had interfered with your child?' The instinctive reaction of a parent is not only to protect their child but to punish someone who could be so sick, be so antisocial and break all the rules as we know them in a civil society and impinge on the freedom and the innocence of childhood. The instinctive reaction of parents is to say, 'I'd want to destroy the bastard; I'd want to kill the bastard.' That is the instinctive reaction and that is natural.

What we are seeing here—and I am not advocating that we should go out and fulfil our instinctive urges—is a disconnect between the community sentiment of disgust and the anger that we feel for the perpetrator when a child is abused, and what the law actually does and what sentencing achieves. Perhaps what we need are greater, more severe penalties for child abusers, because it is not just the dollars and cents, the estimated \$4 billion a year which child abuse costs; it is the human tragedy. We see disturbed adults who were abused as children. They have suicidal, antisocial behaviour and a greater incidence of substance abuse and eating disorders. They have issues with trust and intimacy and they are at risk of revictimisation, with the risk of sexual violence in adulthood for women who were abused at 54 per cent, versus 26 per cent for all women. There are real issues here.

As a community we need to demand of our legislators in relevant jurisdictions that they amend laws to reflect the due punishment for people who perpetrate such crimes because there are too many of them out in the community and walking the streets, perpetrators who get away with so much to satisfy their perverse desires and leave behind a string of damaged and bruised children and families. We must do better. We must serve our community and the children of Australia much better than we are currently. The beginning is to start talking about this more and more, not to be embarrassed, because it is a real problem, and not to be ashamed to say that these abhorrent people deserve greater punishment.

University of Wollongong

Ms GEORGE (Throsby) (8.54 pm)—I want to use the adjournment debate tonight to place on the public record congratulations to the University of Wollongong, which plays a pivotal role in our region. The vice-chancellor of the university, Gerard Sutton, and his staff deserve due recognition for the good standing and excellent outcomes that have been achieved and the high esteem in which the university is held. That is great for a regional university, when it competes against the best of the more traditional, established, sandstone universities. We have done very well on a whole range of scores.

Since the election of the Rudd Labor government, our university has been the beneficiary of substantial funding from the Education Investment Fund. The funds flowing to the university were determined in a highly competitive application process and attest to the merit of the proposals and the quality of the submissions made. In December last year \$35 million was provided to our university to create a SMART infrastructure facility, with SMART standing for Simulation Modelling and Analysis, Research and Teaching facility.

This new facility—the first of its kind in Australia—will have benefits beyond the Illawarra. It will help advance analytical and scientific research and modelling for major infrastructure projects and, very importantly, train infrastructure specialists across a variety of disciplines. In its construction phase, the SMART facility will employ 340 people, and on completion it will provide 150 employment positions across a range of occupations—obviously academics, technicians and administrative staff. In fact, the vice-chancellor was saying that they were already out headhunting for the best that they could find in this field from countries around the world.

Together with my colleague the member for Cunningham, I was recently privileged to be at the turning of the first sod, along with the builder, Hooker Cockram, who indicated that they hoped the building would be finished by 2010. More recently, our university was successful in its bid for \$43.8 million for the Australian Institute for Innovative Material's processing and devices facility, again under a competitive bid from the Education Investment Fund.

The groundbreaking research currently being undertaken at our university's Institute for Innovative Materials will, in the not-too-distant future, have an adjoining home where scientists will have an opportunity to manufacture their inventions. Some of the groundbreaking research currently taking place includes work in the fields of medical bionics, solar cells and superconductors. We were very happy and privileged to have the Minister for Innovation, Industry, Science and Research, Senator Carr, visit the university to see at firsthand the groundbreaking research that we are conducting at this institute in the Illawarra. The head of the institute, Professor Wallace, described the proposed processing and devices building as bridging a gap that he referred to as 'the valley of death'. This is

the valley of death which leaves materials and devices all too often lingering on the lab shelf and is often the reason why new products in Australia fail to make it to the commercial market.

One of the challenges of undertaking research to this next level is the lack of machinery and technology to manufacture specialised products. The unique environment which we will create at our university will generate new technologies, along with people trained in new manufacturing areas. For example, the university is currently working with the Royal North Shore Hospital on a prosthetic glove for hand movement in the rehabilitation of patients after injury or surgery. The current handmade prototypes do not perform as efficiently as they would if engineered in a proper manufacturing environment. Once the institute begins to manufacture prototypes, it can look at other limbs and body parts. It is a great development with a great public benefit potential.

In conclusion, I congratulate the vice-chancellor and all the staff and students at the University of Wollongong. They are truly playing a very important role in diversifying the economic base of our region and attracting the best minds to live and work in the Illawarra.

House adjourned at 9 pm

NOTICES

The following notices were given:

Ms Gillard to present a bill for an act to amend the Building and Construction Industry Improvement Act 2005, and for related purposes. (Building and Construction Industry Improvement Amendment (Transition to Fair Work) Bill 2009)

Mr Combet to present a bill for an act to amend the Renewable Energy (Electricity) Act 2000, and for related purposes. (Renew-

able Energy (Electricity) Amendment Bill 2009)

Mr Laurie Ferguson to present a bill for an act to amend the law relating to migration, and for other purposes. (Migration Amendment (Abolishing Detention Debt) Bill 2009)

Mr Slipper to move—

That the House:

- (1) notes that:
 - (a) 4 June 2009 was the 20th anniversary of the first post-war free elections in Poland, and that these elections marked the end of undemocratic communist party rule in Poland; and
 - (b) the example of free election in Poland led to the overthrow of all the communist regimes of central and eastern Europe, to the fall of the Berlin Wall and the reunification of Germany, and eventually also to the dissolution of the Soviet Union;
- (2) congratulates the people of Poland for their unbroken record of struggle over more than 60 years against both Nazi and Communist occupiers to regain their independence and restore democracy and freedom; and
- (3) notes that the restoration of democracy and a free market economy has led to the increasing security, prosperity and freedom which Poland has enjoyed since 1989, culminating in membership of the North Atlantic Treaty Organization and European Union.

Mr Danby to move—

That the House:

- (1) notes:
 - (a) the Commonwealth of Australia and the Republic of Turkey have established a unique relationship and bond based upon the sacrifices of young men from both nations and that this uniqueness at the core of deep rooted relations between the two countries gained even more momentum by the unforgettable reconciliatory remarks of the Founder of the Modern Turkish Republic Mustafa Kemal Atatürk to the mothers of fallen

Anzacs: "...You, the mothers, who sent their sons from far away countries wipe away your tears; your sons are now lying in our bosom and are in peace. After having lost their lives on this land they have become our sons as well."; and

- (b) that the Turkish nation is now a friendly power and members of the Turkish community have now successfully integrated into Australian society;
- (2) celebrates and commends the achievements and contributions of the Turkish community here in the Commonwealth of Australia in the 42 years since their arrival;
- (3) acknowledges the unique relationship that exists between Australia and Turkey, a bond highlighted by both nations' commitment to the rights and liberties of our citizens and the pursuit of a just world, highlighted by the statement of Atatürk "Peace at Home, Peace in the World";
- (4) commends the Republic of Turkey's commitment to the shared values of democracy, the rule of law and secularism; and
- (5) on the 42nd anniversary of the Formal Agreement between the Government of the Commonwealth of Australia and the Government of the Republic of Turkey concerning the Residence and Employment of Turkish Citizens in Australia, pledges our friendship, commitment and enduring support to the people of Turkey as we celebrate this important occasion together.

Tuesday, 16 June 2009

The **DEPUTY SPEAKER (Mr S Sidebottom)** took the chair at 4.00 pm.

CONSTITUENCY STATEMENTS

Greenway Electorate: Aged Care Services

Mrs MARKUS (Greenway) (4.00 pm)—Last week I was delighted to host a visit to my electorate of Greenway by the Hon. Margaret May MP, the shadow minister for ageing. A community forum, a roundtable meeting with members of the Association of Independent Retirees and visits to local aged care facilities were opportunities to engage the local community and to see firsthand the great work being done in Greenway for our senior Australians.

Key issues of concern included the impact of the Rudd Labor government's debt and deficit on services, particularly in aged care, health and community services, and the threat of changes to the Commonwealth seniors health card. The question was asked: when the government needs to find more savings next year, what will be next? Another issue was the diminishing ability of seniors to manage their own futures because of the Rudd Labor government's regressive policies on private health insurance and superannuation—two issues that were particularly important and were raised by the independent retirees association.

When the coalition were in government, we understood the desire of senior Australians to remain independent and to manage their own futures. We introduced incentives to encourage superannuation and to have private health insurance, but that has gone under Labor. Other issues raised include the cuts to Medicare rebates, particularly for cataract operations, and increasing social isolation as volunteer numbers drop and families move away to locations where work is available. Our senior Australians are under siege by the reckless spending and poor economic management of the Rudd Labor government. Take the recent policy decision to cut the Medicare rebate for cataract operations. That decision alone will now cost senior Australians hundreds of dollars as they attempt to cover the cost of the gap. Many senior Australians simply cannot afford this and will forego surgery, increasing blindness and vision impairment, which will in turn increase their chances of falling and, again, increase additional health costs. What is their alternative?

I would like to thank the Richmond Club, Hawkesbury Living aged care and Holy Family Polish Aged Care Services at Marayong for their time and for the excellent services they provide to senior Australians living in Greenway. The ageing of our population is the biggest social issue that Australia faces. With people living longer, the pace of ageing will quicken after 2010 as the baby boomer generation starts to reach the age of 65. We need to ensure that we have an appropriate level of service that contributes to wellbeing, independence and social interaction so that senior Australians can continue to be active contributors to family and community life.

New South Wales Police Force

Mr HAYES (Werriwa) (4.03 pm)—Today I rise to show my support for the declaration made in the New South Wales government budget today of \$10 million to provide tasers to all front-line police officers in New South Wales. Putting tasers into the hands of police officers who need them most will save lives. The benefits will be enormous. This will mean that fewer families will lose loved ones and fewer police officers will have to live with the knowledge

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that they have taken a life. As the CEO of the Police Federation of Australia, Mark Burgess, said recently, too many officers who have served on the front line know what it is like to have discharged their firearm, knowing that it could amount to the taking of somebody's life. Regrettably, tasers have far too often been locked up in police stations rather than being in the hands of those who need them most. From talking regularly to police and police unions across the country I know that it is impossible for police to anticipate when critical incidents will occur, and that is why this move to provide front-line police with tasers is so critical.

We have seen enough events recently that clearly demonstrate the need for the use of tasers in the police force. Only last month police shot dead a knife-wielding man in Armidale. There was also the tragic shooting of the 15-year-old Tyler Cassidy in a Victorian skate park last year. Tyler's mum, Shani, has consistently said that Tyler's death could have been averted if officers were equipped with tasers. It must be remembered that tasers are the less than lethal option and will reduce the number of offenders being killed by police. In New South Wales tasers have been trialled by specialist units now for a number of years and have been available for senior front-line officers. People are already getting used to the idea of tasers, and the mere sight of a taser has been enough to resolve conflict in 55 per cent of the cases when it has been pulled from a holster.

We know that policing is a dangerous occupation and the risks are always going to be high. However, providing police with tasers will not only save lives but also help dramatically decrease the number of assaults on police officers. There are many studies here and abroad that show that reduction of violent confrontations with offenders as well as assaults on police has directly resulted from the introduction of tasers—by up to about 93 per cent in some jurisdictions. In Western Australia it is indicated that there has been a decline of 40 per cent in assault on police officers since tasers have been introduced. If that were translated into New South Wales, it would mean up to 1,440 fewer assaults on police officers. Finally, again, I congratulate the New South Wales government on taking this stand. This is putting these weapons in the hands of officers who need them. It will also do much to protect the community. As a consequence, I lend my support. (*Time expired*)

Mitchell Electorate: Neighbourhood Watch

Mr HAWKE (Mitchell) (4.06 pm)—I rise today to commend the activity and efforts of Matthew Slattery and the volunteers and executive of West Pennant Hills Neighbourhood Watch area coordination unit. Matthew has been the area coordinator for more than 17 years. In that time he has ensured its survival through some very difficult periods. As members will know, the Neighbourhood Watch community program began in Victoria in 1983 and was formally launched in Sydney in 1984. Its aim was to engage the local community with its local police to help minimise the incidence of crime, increase the reporting of crime, develop a greater awareness of personal and household security and improve the quality of the relationship and communication between the local community and its police force. It was such an important program because it was recognition of the fact that government cannot solve all of our problems but that we need to engage each other and rely on each other to solve problems within our community. It draws upon that vast body of goodwill out there in the community that is available to police to really get crime solved and tackle criminal elements within communities.

During the 1980s and 1990s the Neighbourhood Watch program flourished in Sydney on the back of the initiative and hard work of many of our local community members, such as those in West Pennant Hills. Sadly, of course, as we know, successive state Labor governments who were not committed to programs such as Neighbourhood Watch tended to favour centralised police bureaucracies—centralised local area commands—over local stations. Over time, of course, we have seen a dying of the traditional policing model and the involvement and integration of the community with policing across our major metropolitan cities. Sadly, this represents a failure by government to ensure that these kinds of vital community programs are kept alive.

However, today I really want to praise the positive work of the volunteers who have kept area 6 West Pennant Hills alive for some 23 years in the face of no government funding. Today they still continue to raise the money to keep their Neighbourhood Watch area alive just by themselves and the efforts of their volunteers, with no government funding and little government support and recognition for the vital policing work that they do. The fact that area 6 continues to flourish is due to the hard work and efforts of Matt Slattery, whom I presented with a volunteer award, and fellow volunteers such as his wife, Robyn, Margaret Hutton, Greg Menzies, Gea Waalkens and others. West Pennant Hills is in general an area that suffers from a lower level of crime incidence when compared with some of its neighbouring suburbs. I have no doubt that this is due in no small part to the excellence of Matthew Slattery, his volunteers and the executive Neighbourhood Watch members. They are true community members. They take part in ensuring that all crime is reported within their area and dealt with expeditiously.

I know that I can speak on behalf of the Castle Hill police and its former Senior Constable Tim Fellows, who in his capacity as Castle Hill police's community liaison officer worked closely with Matt and members of the West Pennant Hills area 6 Neighbourhood Watch to help reduce the incidence of crime and significantly improve the flow of information between our local police and community. I want to thank Matt personally for his many years of community involvement and initiative and to thank the volunteers of the area 6 West Pennant Hills Neighbourhood Watch service.

Kingston Electorate: Terry Symons

Ms RISHWORTH (Kingston) (4.09 pm)—I am very pleased to rise today to congratulate an exceptional volunteer in my local community, Terry Semmens. Terry is a local surf lifesaver at the Moana Surf Lifesaving Club. I was lucky enough to attend a presentation at the Moana Surf Lifesaving Club the other night. This was a very special night for Terry because he received an award for completing 1,000 patrol hours. Completing 1,000 hours of community service is a huge milestone for any volunteer. In fact, to be technical, we must acknowledge that he has done 1,026 hours at the surf-lifesaving club.

Terry lives with his family in Seaford. He is a bus driver by day, but on the weekends he is always out there on the beach ensuring the Moana beach is safe for people to attend. I spoke to him and he was very moved by this award. He is someone who does not like to boast and talk about his achievements. This was certainly an achievement that everyone else wanted to talk about because it was such a good achievement. He stated that he has found the experience incredibly enjoyable and rewarding and that it has been a great place to meet good mates. The club secretary, Pat Whiting, has also said that Terry has had a great involvement in motivating

the younger generation to join the surf-lifesaving club. In fact, Terry has been a great role model to these local people. He always encourages people to be involved and that is a critical point of his nature. He served as club captain at the surf-lifesaving club and both his sons have also been members. Pat Whiting also said that the club has benefited from his enormous knowledge of the area and of surf-lifesaving. I think Terry is one of the many people out there who dedicate so much time volunteering in our local communities.

My local electorate of Kingston has five surf-lifesaving clubs, all of which I attend regularly. The contribution and the amount hours that these people spend sitting, standing and patrolling the beach is just enormous and I congratulate them.

Terry is the sixth person at the Moana Surf Lifesaving Club to reach 1,000 hours. It is a huge milestone and I commend him greatly for this.

Casey Electorate: Queen's Birthday Honours List

Mr ANTHONY SMITH (Casey) (4.12 pm)—I want to pay tribute to two local residents who received well-deserved Queen's Birthday Honours awards. Firstly, Mr Paul Wheelton of Chirnside Park was awarded the Medal of the Order of Australia for service to children and youth through a range of charitable organisations. As deputy chairman and treasurer of the children's charity Variety and chairman of Life Education Victoria since 2006, Mr Wheelton started the 'Drugs are not recreational, Drugs are Drugs' campaign. He is a board member for the Marsh Foundation which supports an orphanage in Bali. His contribution to the community is longstanding and his award is well and truly deserved.

I also want to pay tribute to Patricia Maggs, who also received a Medal of the Order of Australia. Patricia was instrumental in founding the Caladenia Day Care Centre in 1983. Caladenia supports carers of people with dementia and Alzheimer's disease, and offers a variety of support programs and, importantly, respite programs to assist carers and family members have some much-needed time away from their caring duties in the safe knowledge that their loved ones are being looked after by great staff at the Caladenia Day Care Centre. Trish established one of the first support groups for people living with dementia, on top of providing state-of-the-art respite for carers. I have been fortunate to visit Caladenia on numerous occasions and see firsthand the wonderful work that all of the staff and volunteers at the centre put in and all of the great results they achieve on a daily basis.

Caladenia's unwavering dedication to providing the best possible care for people with dementia continues today. Recently, Trish was delighted to learn—as were other members of the staff in the Caladenia community—that VCAT had granted planning permits to enable the development of dementia specific emergency and overnight respite adjacent to the current premises. All at Caladenia Day Centre are very fond of Trish, but they are also extremely fond of another Maggs at the centre, and that is Maggs the dog, a friendly golden retriever whom all who visit Caladenia very much cherish. Patricia is still very active at the day care centre and is currently a member of the management committee. I pay tribute to her, to all of the volunteers and to the staff, particularly Anne Welsch and Sarah Yeates, who do such a wonderful job in the local community.

Queen's Birthday Honours List: Mr Michael Christodoulou

Mr ALBANESE (Grayndler—Minister for Infrastructure, Transport, Regional Development and Local Government) (4.15 pm)—I rise today to pay tribute to and to congratulate

Michael Christodoulou, a resident of Marrickville in my electorate of Grayndler. He was appointed a member of the Order of Australia in the Queen's Birthday Honours List for services to the Greek and Cypriot communities, particularly through the promotion of cultural diversity, reconciliation and harmony.

Michael Christodoulou migrated to Australia in 1971 from Cyprus with his mother, three brothers and sister. The death of his father when he was seven months old had a profound effect on the family as they struggled to make ends meet. Michael's eldest brother, Tony, was forced to leave school and work to help to support the family. It was in these early years that Michael's commitment to social justice was forged. He never forgot his difficult upbringing and the help of others who assisted his family in tough times. It was these life-shaping experiences that led Michael to undertake his vocation in volunteering.

Michael's philosophy is simple and based on three principles: first, to promote harmony; second, to encourage education and social justice; and, third, to fight for human rights. Michael believes that Australia is the land of opportunity where, if you work hard, you will be rewarded. He aspires, therefore, to give this opportunity to other fellow Australians. Michael is a strong believer that education is the foundation stone on which a better society and better local communities are built. Michael has devoted his adult life to helping others in need and for the past 17 years has volunteered.

In his distinguished vocation of volunteering, Michael has served as: the coordinator of the UN Human Rights Day committee for 12 years; the Director of the Stanmore Hawks Soccer Club; the longest serving President of the Cyprus Community of Sydney and New South Wales; the chairman of the Cyprus community's age-care home; the Secretary of the Ethnic Communities Council of New South Wales; the chairman of the Illawarra, Nepean, Blacktown, Liverpool, Macarthur and Hunter regional advisory councils; the President of the Federation of Cyprus Communities and Organisations of Australia and New Zealand; the Treasurer of the World Council of Greeks Abroad; the Chairman of the Hellenic Emergency Relief Fund; and the Commissioner of the Community Relations Commission of New South Wales.

Michael's time and effort spent volunteering has also produced many benefits for the community, including helping to fundraise more than \$800,000 since 2000 for the Cyprus community's age-care home, more than \$230,000 for the establishment of a permanent modern Greek unit at the University of New South Wales, money for the 2006 Austcare Lebanon crisis relief appeal, money for the 2007 Greek bushfire appeal and \$80,000 for the Victoria bushfire appeal.

However, it is Michael's fundamental passion in promoting justice for Cyprus and tirelessly working to reconcile the Greek Cypriot and Turkish Cypriot communities and promote harmony in Australia and abroad which he is most known for. Michael Christodoulou is an outstanding and deserving recipient of this honour. His selfless devotion and commitment to improving the lives of others is an inspiration to all. I congratulate him on his award. (*Time expired*)

La Trobe Electorate: Mr Rinie Van Zwol

Mr WOOD (La Trobe) (4.18 pm)—I rise today to pay tribute to Rinie Van Zwol, a loving husband and father and a constituent of my electorate of La Trobe. I first met Rinie last August over a council matter. Rinie and his wife, Dianne, use an access road on an abandoned

quarry to reach their home, which has no driveway. The local council were restricting the Van Zwols' access to the driveway, access Rinie needed as he was receiving chemotherapy for Hodgkin's lymphoma and was not strong enough to walk down the steps to the street. Rinie was diagnosed with cancer in May last year and frequently needed to visit the hospital. What struck me when I first met Rinie was that he was not concerned about the effect the council dispute was having on his health but was more concerned about the effect that it was having on his wife. That was Rinie Van Zwol in a nutshell: always putting the concerns of those he loved before himself.

Earlier this year, on Black Saturday, Rinie and Dianne were dealt another cruel blow when the fire broke out on the land adjacent to the property in Upper Ferntree Gully. Their neighbour, Paul Erlandsen, heroically led them to safety. However, their home was extensively damaged by smoke and water which dropped from a water-bombing helicopter. After facing cancer, a hostile council and nearly losing their home, you would think there was not much more which could go wrong for Rinie and Dianne. However, tragically, several weeks ago Rinie and Dianne were advised that his cancer had returned. But Rinie refused to let this diagnosis bring him down. He was determined to go out with a fight. It was an attitude he carried his entire life, from his time in the Army Reserve as a nasho driving Army trucks to raising a family—to do his best in all his endeavours.

Rinie fought and won many of the battles he encountered but ultimately lost the war. Sadly, Rinie passed away last Monday, 9 June, just one month and one day shy of his 60th birthday. He left behind his beloved wife, Dianne, and son, Renae, and many grieving family members and friends. I pay tribute to all those residents in Quarry Road, especially Mal Cameron, who first informed me about the battle Rinie was having with the council. It is just an amazing street. All the residents help each other out. Rinie earned respect and admiration for the grace with which he handled the adversity he faced. I am proud that I had the opportunity to represent Rinie Van Zwol and his wife, Dianne, and prouder to say that Rinie was a friend.

Isaacs Electorate: Climate Change

Mr DREYFUS (Isaacs) (4.21 pm)—I want to speak today about the climate change forum that was held at the Chelsea Heights Community Centre last Thursday night in my electorate. Climate change is one of Australia's and the world's greatest long-term challenges. Combating climate change is a task that the constituents in my electorate of Isaacs are acutely aware of, particularly those who live in the suburbs on the eastern shore of Port Phillip Bay. That is why last month the House of Representatives Standing Committee on Climate Change, Water, Environment and the Arts visited the city of Kingston to see how climate change affects communities in Melbourne's beachside suburbs.

I was invited to speak at the Chelsea Heights climate change forum—alongside eminent scientist and science adviser to former US Vice President Al Gore, Dr Graeme Pearman of Monash University—by Robyn Erwin, who is president of the Chelsea Heights Community Centre and someone who I know is very passionate about dealing with the effects of climate change. I spoke about why it is important that legislation is passed now to establish the Carbon Pollution Reduction Scheme, about the effects climate change could have on coastal communities in my electorate—like Chelsea, Mordialloc, Carrum and Patterson Lakes—and about what we as a local community can do to help tackle climate change. There was robust debate among the 70 attendees about the issue, but the overriding message was crystal clear:

the local community wants action on climate change, and now. I would urge my colleagues on the other side of the House to listen, as we in the government have, to the voices of the community which are calling for action on climate change.

I would like to thank Robyn Erwin for organising this event and the students of Chelsea Heights Primary School who decorated the hall with banners and drawings urging action on climate change. I also thank Lochie and Ben from the Chelsea Heights Primary School, who presented me with a poster about climate change which I will be proudly displaying in my office. The poster contains a range of suggestions about the actions that each of us on a personal level can take to reduce carbon emissions and to reduce energy usage in our daily lives—such simple things as turning off the lights when one leaves the room and walking instead of driving the car. The fact that these students from the Chelsea Heights Primary School were able to carefully record these suggestions on their poster is an indication of their awareness of the environment that they live in and reinforces the message that ought to be heard by everyone in this place about the urgency of and need for action. *(Time expired)*

Solar Energy

Mr JOHNSON (Ryan) (4.24 pm)—Eight hours notice was all that was given by the Rudd Labor government to those who have an interest in doing their little bit to make a contribution to climate change related issues in our country. Eight hours notice was all that was given to the constituents of Ryan who wanted to invest in a solar panel. It was three weeks too early—that is the dilemma that people in the Ryan electorate had to confront when they woke up on Wednesday, 10 June, to be told that the Rudd government's \$8,000 solar rebate was going to be axed. We all know that the Rudd government in its budget had said that 30 June would be the deadline, so people had planned around this. Of course, in the end, as with most things, it was all spin and all talk, all hype and hypocrisy, by the Rudd Labor government.

Certainly from my perspective as the member for Ryan, this has been one of the dominant issues in my office in the last week. People have been very disappointed by the difference between the rhetoric and the reality. I have tried to reassure them that in regard to renewable energy, and in particular solar, I as their local member have been a strong supporter of all good policy. Unfortunately, the Rudd Labor government seems to say one thing and do another thing. I want to assure the people of Ryan that I will certainly be working hard to ensure that renewable energy issues dominate the policy compass of the Turnbull opposition.

I acknowledge that the people of Ryan, in the western suburbs of Brisbane, want to do their bit, and installing solar panels is one thing. But, when they rely on statements in the federal budget that say 30 June will be the deadline and that proves to not be the case, how can people plan ahead? How can people rely on the statements of a federal government, a federal cabinet minister, when in reality it is all talk and spin? I want to say to the Rudd Labor government: when it comes to the next election, make sure that the deception, the deceit, the spin and the rhetoric is not there again. We all know that that is one thing that they are very good at, but, when it comes to the actual substance, it does not come to fruition. I want to say to the people of Ryan that I will be doing all I can to ensure that renewable energy is front and centre and very strong in the policy development of the opposition. We have to explore all options: wind, tidal, ethanol and geothermal, as well as nuclear. I know it is not popular to talk about nuclear, but this is a debate that has to happen. *(Time expired)*

Indigenous Australians in Sport

Mr MARLES (Corio—Parliamentary Secretary for Innovation and Industry) (4.27 pm)—Australia is a nation of sports lovers. Footy, cricket, tennis, swimming, golf—we love it all. Sport is a fantastic social leveller and it is also a wonderful vehicle for the recognition and celebration of our Indigenous heritage. This is particularly true for AFL football. Who can forget the iconic image of Nicky Winmar lifting his jumper and pointing to the colour of his skin? That powerful gesture triggered a long-overdue debate, and today we see it as a watershed moment. Michael Long followed it up two years later when he refused to sit back and ignore an on-field racial taunt. It has taken a long time for Indigenous players to get the recognition they deserve in footy. This year, a record 82 Indigenous footballers are on senior and rookie lists in the AFL—that is more than 10 per cent of players. My team, Geelong, has five Indigenous players on the senior list: Adam and Travis Varcoe, Matthew Stokes, Steven Motlop and Nathan Djerrkura. That is five out of 47, also more than 10 per cent—quite an achievement, given that Aboriginals and Torres Strait Islanders make up just two per cent of our population.

Other sports see what footy has achieved for Indigenous players and recognise the same opportunities for participation exist within their own sport. In 1971, Evonne Goolagong cemented her place in history as the first Aboriginal woman to reach the world sporting stage when she won Wimbledon. She dominated the sport throughout the seventies and the early eighties, but an Indigenous tennis player has not reached the same dizzying heights of world No. 1 since. Tennis is less accessible than footy—you need a court to play on and a racket to play with—but it is a great world game that should not be beyond the reach of Indigenous children.

So, next month, during NAIDOC week, Victoria's first ever Indigenous tennis festival is to be held in Geelong. It is a free event, open to school-age children of any ability, who will travel from across the state to take part. For some, it will be the first time they have picked up a racket. For others, it may cement a lifelong passion in a sport in which they excel. For others, these few days may present an opportunity for future work behind the scenes in administration or events management. There is no doubt there is interest there. A coaching clinic was recently organised for Indigenous children living in Geelong. The organisers were expecting a handful of children for the seven-week course, but the turnout was instead about 40 children. That enthusiasm was encouraging.

Evonne Goolagong Cawley runs her own coaching campus each year at Box Hill Senior Secondary College. She has also awarded tennis scholarships to talented youngsters across Australia. But there is obviously a need to broaden the accessibility and appeal of a sport that can be played by all ages and across all social and racial boundaries. The Geelong Lawn Tennis Club and the Geelong College have welcomed the festival and provided the use of their own courts for what is being called the Darrangeeyt Festival of Tennis, Darrangeeyt being a Wathaurong word for having a hit. That may be all it is to 100 or so children, but it is a great way of closing the gap as to opportunity and is perhaps another way of finding yet another Evonne Goolagong Cawley.

The DEPUTY SPEAKER (Mr S Sidebottom)—Order! In accordance with standing order 193 the time for constituency statements has concluded.

APPROPRIATION BILL (No. 1) 2009-2010**Consideration in Detail**

Consideration resumed from 15 June.

Infrastructure, Transport, Regional Development and Local Government Portfolio

Proposed expenditure: \$966,354,000.

Mr FITZGIBBON (Hunter) (4.31 pm)—In 1987 I was elected to Cessnock City Council, a great honour I should say. In Easter of 1988 what was then the latest section of the F3 freeway was open to Freemans Waterhole, which was in my electorate. From that day the residents in the Cessnock local government area were subject to national highway traffic spilling onto their local streets as motorists and heavy-transport drivers sought to make their way from the F3 freeway to the New England Highway and then further north, largely, in the case of heavy transport, to Brisbane. I joined with a number of local people to fight for a major highway link between the F3 freeway and the New England Highway just north of Branxton as a means of taking that pressure off local Cessnock roads, so alleviating the safety concerns of motorists and residents, alleviating the massive inconvenience that motorists were experiencing locally, addressing safety concerns and of course providing a much-needed bypass of Cessnock and Maitland—and a number of communities in between—which were suddenly suffering the consequences of this national highway traffic. Thankfully, the then Labor government agreed to build this road transport link. In fact, it put forward initially three or four options. I was very proud to be a person who put forward a submission advocating the adoption of the so-called option C, which later became known as the Kurri Corridor. In 1995 I was pleased to investigate the route of option C with the then transport minister, Laurie Brereton, who reaffirmed on that occasion the Labor government's commitment to this very important transport link.

Alas, in 1996 the Howard government was elected and, sadly, the project came to a halt—a great disappointment for me and all those who live in the Hunter region. Surprisingly, the so-called Belford Bends Deviation, which will now form the northern extremity of the so-called Hunter Expressway, was also cancelled by the Howard government, notwithstanding the fact that contracts for the project had actually been let. A big campaign by the local community forced the Howard government into reinstating the funding for the Belford Bends Deviation but we did not have such success with what was then called the Kurri Corridor but is now called the Hunter Expressway.

So, Mr Deputy Speaker, you can appreciate my delight when, after a 10-year delay, the Rudd government announced this year that it would contribute some \$1.65 billion towards the Hunter Expressway—great news for the Hunter community. We should have been driving on this road by now and we would be driving on this road now if the Howard government had maintained the former Keating government's commitment to the Hunter Expressway.

Mr Truss interjecting—

Mr FITZGIBBON—I cannot believe the Leader of the National Party has intervened, because he of course was transport minister for most of that period. In fact I recall that one day he went to Singleton to announce the Muswellbrook bypass, such is his knowledge of the local transport needs of the residents of the Hunter region. I am obviously delighted that it took

a Labor government to plan the Hunter Expressway, and we had to wait for another Labor government to build the Hunter Expressway.

I have talked about local benefits. I would like to ask the minister if he could expand on the benefits of the Hunter Expressway to the efficient movement of people and freight along the eastern seaboard from Melbourne to Cairns.

Mr LINDSAY (Herbert) (4.35 pm)—I have got the reverse story to the member for Hunter's story. I can proudly stand here and say that about a decade ago I began a furious fight to get the new bypass for Townsville underway, and the first section of that was the building of the Douglas arterial road. There was a furious fight with the state government in trying to get matching funding. Ultimately our community won that. It was a road of national importance, so it attracted fifty-fifty support from the state. We won that fight and we got that road opened and the community really appreciated the difference it made, because it had a BCR of something like 13 and it cut travel time by up to 20 minutes between the two points.

In 2004 I saw the need to extend that road to connect to the Bruce Highway in the northern beaches, and that was going to be the Townsville ring-road. We fought for that money and we got that money and construction commenced on the Townsville ring-road; that has now been completed. That created a bypass for heavy vehicles around the city of Townsville. It also created a very quick link from the northern beaches to the hospital, to the university and to Lavarack Barracks for the Army. That will see very significant development occurring in the northern beaches area of the city. We could see then, with the connection of the ring-road to the Douglas arterial, that the Douglas arterial would not cope and that it had to be extended to four lanes. We proceeded to fight to get the money for the four-laning. That was another \$55 million. In the budget before last, the government announced that \$55 million would be provided and that we could get on with the four-laning of the Douglas arterial. That has not really proceeded. It was reannounced in this year's budget and a small amount of that \$55 million was provided, probably for design work. But I am puzzled: we have known about this and Queensland Main Roads have known about this for some years, and I am really surprised that the design work has not yet been done.

Of course, all of us want these shovel-ready projects, particularly the stimulus projects. We all want them to be stimulating the economy. But, unfortunately, this is a case where we are unable to get on with the job. The minister and I will work together on this one because we both want the same outcome. We want to see this project started. I would like to ask the minister whether he would have a look at the status of this particular project. When does he expect the project to commence? How can we speed it up? How can we get it going? It is very important for Townsville that we get on with the four-laning of the Douglas arterial. I thank the minister.

Ms RISHWORTH (Kingston) (4.39 pm)—I would like to take this opportunity to commend the Minister for Infrastructure, Transport, Regional Development and Local Government for some great initiatives in this year's budget. I want to talk about a number of infrastructure projects in my electorate and then ask the minister a question. In particular, I would like to commend the minister on the budgeting for the rail extension to Seaford. I have talked about this a number of times, because this project is absolutely critical for the residents of Seaford and the southern suburbs of Adelaide.

This project will be a 5.5-kilometre rail extension from Noarlunga with a bridge over the Onkaparinga River to Seaford. This bridge has been a sticking point for many years. This rail corridor has been in the pipeline for about 30 years, believe it or not, and there have been promises, promises and promises about this, from many governments. The sticking point has been the bridge over the Onkaparinga River, because it is a very long bridge. I am very pleased that not only has the government committed to building this bridge, which is 1.2 kilometres long—0.1 kilometres longer than the Sydney Harbour Bridge—but it is also going to commit to build a dual track-way to Seaford. This is really important.

We are talking about stimulus. I have been informed that this project alone will create over 400 jobs in the next four years, which is incredibly important to local people. What is more important to local residents in my electorate is that there is a time frame for this, because previous governments said, 'We know there's a need, but we'll do it later.' There is a very clear time line here and it is ready to go. Construction will start in 2010 and be completed in 2013. This is really important.

I would also like to thank the minister for coming down to my electorate to meet with the Seaford District Residents Association. Ron and Harold—Harold could not be there; he was very disappointed, Minister, that he could not meet with you—have been advocates for this project for many, many years. They were very pleased to have the chance to spend time with the minister to talk with him about the project, but they were more impressed to see action on this project, which is really important.

The previous member for Kingston wrote a letter to the editor of the local paper the other day, saying that he had asked for the rail and that he should get the credit for this. But unfortunately he asked and nothing was delivered to him. I was very concerned to hear that the Leader of the Opposition has said that all these projects are up for review. I tell you, the residents in my electorate do not want the Seaford rail extension reviewed again; they want action on it. This is an incredibly important part of the budget. This is something that is going to leave a legacy for tomorrow and really create jobs today.

In addition, I was very pleased to see in the budget the improvements to the Victor Harbor Road-Main South Road intersection, something that will be funded under the new nation-building plan. I had a briefing the other day about this project. This project will reduce waiting times at that intersection from eight minutes to 40 seconds. That is a huge improvement in terms of urban congestion and certainly has been welcomed by people. This is good not just for people in my electorate of Kingston but also for the many tourists who use the Victor Harbor Road-Main South Road intersection, who love the Fleurieu Peninsula, who love to go on holiday there, but are frustrated with the waiting times. I am very pleased that the expected completion date of this is 2010. Once again, this is local jobs.

In the brief time I have, I also commend the minister for working with local councils in my area. The extra funding that has been provided for them has been welcomed. It is going to mean solar panels on community centres, footpath improvements that are desperately needed by local residents in my electorate and a whole range of different garden and reserve improvements, including play equipment for the local kids in the community.

My question to the minister is: could you tell us a little bit more about the infrastructure that is happening in South Australia?

Mr TRUSS (Wide Bay—Leader of the Nationals) (4.44 pm)—The government have been very strong in coming out and saying that they are investing record amounts of money on road and rail. This is of course just record spin. In reality, the Labor government will actually spend less on rail and road than the previous coalition government had committed prior to the last election and, what's more, they are spreading the funding over six years instead of the five that had been committed to by the previous government. The minister is also very strong at criticising the former government about rorts and so I want to turn my initial attention to the choice of projects and how projects were chosen to be funded through this government's program.

Some of the major items were in fact funded, we are told, as a result of investigations by Infrastructure Australia. However, the government will not make available any of the documentation, case studies or arguments that were put up which led to the choice of these particular projects. In fact, they have not even told us which projects were specifically chosen as the highest priorities by Infrastructure Australia. All we have are two lists: one called 'Priority projects/actions ready to proceed' and a second one called 'Priority infrastructure pipeline projects with real potential'. However, the government have not indicated why particular projects were chosen and have refused to make available any of the working documents. How could anyone call this a fair and transparent process when in fact the government will not open up their documentation to any kind of scrutiny? One of the projects chosen was not on either list. I ask the minister: why was the O-Bahn track extension approved when it was not considered by Infrastructure Australia and was not recommended either as being close to ready or as one that should be given further consideration, especially since the South Australian minister said it was news to him when the announcement was actually made?

I refer also to the biggest single commitment, the \$3.2 billion for the Regional Rail Express project in Melbourne—over three-quarters of the entire allocation. It is interesting to note that Sir Rod Eddington completed a study on improving east-west transport connections across Melbourne and he recommended that this project proceed. Lo and behold, Sir Rod Eddington is also the chairman of Infrastructure Australia. So he has actually recommended a project he recommended the first time be given priority over all others. I ask the minister to answer whether Sir Rod Eddington stepped aside from the consideration of this project, where he clearly had a keen interest, so that there can be absolute public confidence that it was assessed fairly and did not have an unfair advantage because the chairman of Infrastructure Australia had an association with that project.

While we are on the subject of choosing projects, I would like to turn to the new Nation Building Program off-network projects. This was the old regional strategic roads program that the government has worked hard to strike the word 'regional' from. In fact, when the Senate looked like messing it up today and re-including the word 'regional' in the program, the minister had to run to get the Greens to change their vote so that it could be recommitted. This is supposed to be the minister for regional development but he is trying to wipe the word 'regional' out of every government program. So we now have the Nation Building Program off-network projects. I would ask the minister what transparent processes were undertaken to choose the projects to be funded under this network because, of the \$655.2 million in the proposed road and rail funding, \$532.9 million is being shovelled into Labor held electorates. Most of the other projects—perhaps with the exception of only one—are in electorates that

Labor was targeting at the last election. Indeed, most of these projects were announced by Labor candidates during the last election. I ask the minister: when were other projects given an opportunity to be considered for this funding network? Will there be a call for nominations for funding for these projects from people other than Labor Party candidates, or is this in fact just a giant rort to fund Labor Party election commitments? When you have 82 per cent of all the funding for what was a regional roads program now being spent in Labor seats, and most of it in city areas, it is quite clear that this government did not adopt proper transparent processes and that this has been a gigantic rort and abuse of taxpayer money.

Mr ZAPPIA (Makin) (4.49 pm)—Can I say from the very outset that I certainly welcome the \$646 million investment in the three major public transport projects that were part of the Rudd government's \$22 billion investment in road, rail and ports around this country. Those three projects that went to South Australia cover the three major corridors into the suburban parts of metropolitan Adelaide. Two of them in fact will have direct benefits for the people of Makin, whom I represent—those are, firstly, the \$294 million Gawler rail line re-sleeping and electrification and, secondly, the \$61 million towards the O-Bahn bus service that was just talked about by the member for Wide Bay. I will come to that in just a moment.

The Gawler railway line is a project that will assist not only the people in Makin but also those people who are moving into the fastest growing part of the metropolitan area of Adelaide. Already we have a railway line that is very heavily used. In respect to the people of Makin, it is used because, whilst it does not pass through the electorate of Makin, it passes very close to it. People from Makin in fact use the interchange both at Mawson Lakes and at Salisbury, where they can assess the rail service and within about 15 minutes get into the CBD of Adelaide. In fact that service is being used so much that there is now a need to expand the car park at Mawson Lakes because of all the people who go down and use it before getting on the train. So I know that is one service that is very much appreciated by the people whom I represent.

The second matter is the one dealing with the O-Bahn bus service. The O-Bahn bus service reminds me very much of the Southern Expressway in Adelaide, which goes through to the electorate of Kingston. Some years ago the Southern Expressway was built and initiated by the previous state Liberal government. It is a typical example of a road that was only ever half built. It goes in one direction for half of the time and then you reverse the order and you get the reverse direction for the other half of the day. The O-Bahn was the same. It was a bus carriageway that was built in about 1980 and initiated by the state Liberal government. Regrettably, the job was never finished. It stopped short of the Adelaide CBD by about two kilometres. It is that last two kilometres where you get the real traffic congestion and where people are delayed for 10 minutes at least, and usually longer, in getting to their workplace. So the commitment of \$61 million towards the completion of that last two kilometres is going to be of huge benefit to those people. About 27,000 people a day use the O-Bahn bus service. We are talking about saving 10 minutes on the inward bound trip and 10 minutes on the outward bound trip at the very least. When you are a working mum or dad that extra 20 minutes or perhaps half an hour with your children makes a lot of difference.

In respect to the criticism by the member for Wide Bay, I can say this: this was a project that I raised with my state government colleagues on several occasions, including with the minister's office. It was not an election promise; it was one of those projects that I had taken

up since being elected as the member for Makin on behalf of the people I represent. I certainly have no regrets about doing that whatsoever. It is interesting, however, that this project also services the people of the electorate of Sturt. I wonder whether the member for Sturt is also opposed to and concerned about the fact that we have committed funds to making this service even better. It will be interesting to hear his comments because I have heard other South Australian federal members criticise this commitment. I really wonder whether the people they represent would be pleased. They would want to know exactly what their position on this issue is.

I can tell members of this chamber that only on Saturday I again discussed this particular project with the state member for Newland, Mr Tom Kenyon. We were talking about the benefits it will bring to those residents of the north-eastern suburbs of Adelaide. It is a project that is well and truly overdue. This should have been done almost 30 years ago when the project was first conceived. This project is one that I certainly welcome and one that will be welcomed by the people whom I represent.

The last point I want to make very quickly is this: I notice that \$1 million was committed to the widening of Montague Road at Clovercrest. Again, this is a project that is well and truly overdue. This should have been done 20 years ago. It is a project that will hopefully open up a bottleneck that exists at the junction of Montague Road and Kelly Road which during peak hour becomes a nightmare for all those people who use it. To the minister I say: thank you.

Mr ROBB (Goldstein) (4.54 pm)—The infrastructure spending in the budget should have been the government's first stimulus package, not the third, and for obvious reasons. When there is a financial crisis claimed to be the worst in 80 years, the way in which we spend every dollar is critical. We must get the most out of every dollar spent. We on this side of the House listened for 12 months or more before the last election to those opposite telling us they had a plan for infrastructure. We heard it ad nauseam. We heard that they had a deeply considered plan for infrastructure. Yet it took 18 months in government and seven months of the financial crisis before there was one decision. That decision took 2½ years and we were seven months into the financial crisis before we heard that they had a detailed, considered plan ready to put to the Australian people. They had already spent tens of billions of dollars on handouts before we saw one decision, and that was in this budget. Then, when we finally saw a decision, most of those projects had been under active consideration by the former government.

Mr Albanese—Is that right?

Mr ROBB—Yes, absolutely; that is right. Some were underway. These are decisions you have just taken.

What we needed in those critical times was to see spending on major infrastructure taking clear priority over reckless debt funded handouts, which preceded so much of the decision making and the spending. Even now there will only be \$1.7 billion spent over the next 12 months on major infrastructure. And, in the following year, only \$3.5 billion will be spent on major infrastructure. What a joke this is for a party that came to office, spruiked a plan for 12 months and then sat on their hands for another 18 months before they made any announcement whatsoever. Now they will only spend a bit over \$5 billion in two years, having racked up a debt of \$315 billion. I would like to know from the minister what sort of analysis has been undertaken of the job impact of the \$1.7 billion that will be spent this year and the \$3.5 billion that will be spent next year in regard to these major infrastructure projects.

The second issue I would like to raise is one previously raised by my honourable colleague. Last year we heard, again ad nauseam, that with these projects the government would, quite properly, place a huge priority on transparency. We heard criticisms of the former government, again ad nauseam, about a lack of transparency. This minister and the government opposite told us endlessly last year about transparency. They set up a process—Infrastructure Australia—which we supported, and I think it was a solid process. This minister told us about transparency ad nauseam. Then we have \$8½ billion of taxpayers' money being spent. We get another \$600 million of state taxpayers' money. We have a black hole of another \$60 billion to fund the projects that were announced in the budget.

We had all of that money yet we have not seen one iota of detail of the cost-benefit analysis, or any of the assumptions that underlie that analysis, that was undertaken by Infrastructure Australia. It makes a mockery of what we heard for 12 months. This minister opposite lectured and lectured, ridiculed and lectured—we heard it ad nauseam—and he has not delivered one iota of detail on a cost-benefit analysis. The essence of assessing the work of any major project has to be what you will get back for the dollar. It is a question of how much return you will get. No-one has the ability to see whether politics has been played in all of this process. Why were some projects put ahead of other projects? Why were projects taken off the second list, where a lot of detail is still to be finished? Why was a project taken when it was not even included in Infrastructure Australia? We would like a sensible reason from the minister opposite as to why this government refuses to provide the fundamental details which will help the opposition, and more importantly the sector and the state governments and others, to make a proper assessment of whether this minister has played politics with major government funds.

Mr ALBANESE (Grayndler—Minister for Infrastructure, Transport, Regional Development and Local Government) (4.59 pm)—There have been a number of questions raised. Firstly, the member for Hunter gave a historical analysis of the development of the Hunter Expressway—that it took a previous Labor government to have planning for the Hunter Expressway and it has taken another Labor government to get on with the business of building it.

We are very pleased that, as one of the infrastructure priority list projects, we are providing some \$1.45 billion. There is \$200 million being provided by the New South Wales government. This is an absolutely critical project. We actually have to get on with the business of this. There are still some properties to be purchased before construction can commence there. In spite of the rhetoric of the previous government, there had not been an appropriate allocation to allow this expressway to be built. It is a common theme that we hear from those opposite: they were always going to get around to it in their 13th year; they were always going to get around to it in their sixth or seventh or eighth term. They actually did not do anything about it.

I was asked by the member for Herbert about the Douglas Arterial duplication. I can inform him, through the House, that \$55 million has been committed by the Rudd government for this project, which has been matched by the state government of Queensland. That construction will commence this year, in the third quarter. I thank him for his question.

We had the member for Kingston raise the Seaford to Noarlunga line. That was a very important project that we were very pleased to announce in the budget, and I was pleased to travel to her electorate the following week, with the Treasurer, for that announcement. That was the very day that the Leader of the Opposition drew into question the ongoing support for

those projects, when he stated that all projects would have to be under review. He made that statement in Adelaide, and it was certainly one of great concern to the people of South Australia and, indeed, the people of the nation who want this nation-building agenda to go ahead.

The member for Wide Bay raised a number of issues. He alleged that the Rudd government's commitment—some \$36 billion in transport infrastructure—was less than what the former government had committed to. The budget papers from the previous government—released on 8 May 2007 by Mark Vaile, the Leader of the National Party and Deputy Prime Minister at the time, and Jim Lloyd, the then Minister for Local Government, Territories and Roads—state very clearly:

... government will invest \$22.3 billion in Australia's land transport system from 2009–10 to 2013–14
...

That is the truth of what they budgeted: \$22.3 billion. They run around and they say that there was all this money committed, but it was never in a budget. It was not in their first budget; it was not in their second, third, or fourth; it was not in any of the number of budgets that they committed—not one. They cannot produce a budget paper to show the funding that is there, because the budget papers show the reality, which is some \$22 billion—certainly not \$31 billion.

The member for Wide Bay also raised the Infrastructure Australia process. This is the most rigorous process that we have ever had for infrastructure development in this nation. It is also a process that is transparent. The methodology for going through each of these projects is on the Infrastructure Australia website. The fact is that, as part of the budget, we produced detailed analysis of each and every project, each and every process. (*Extension of time granted*) The fact is that this has been transparent. It has been well received by the business community and well received by the general public.

The member for Wide Bay raised the issue of the O-Bahn. The member for Makin quite rightly pointed out how important this project is to him. Let me explain it very clearly to the member for Wide Bay so he finally gets it. There are two projects that were funded in the budget that are not funded out of the Building Australia Fund. The Building Australia Fund is used to fund Infrastructure Australia projects, but the government have a range of other infrastructure initiatives, one of which we have said is the establishment of a major cities unit, a major cities program, with support for sustainability, productivity and liveability in our cities. That is what we said we would do with major cities.

There are two projects. One of them is the O-Bahn. The second is the Northbridge project in Perth, Western Australia—one that those opposite do not mention. Neither of those projects is funded by the Building Australia Fund.

Mr Truss—The Northbridge project is on the list. It's here!

Mr ALBANESE—They are very slow, Mr Deputy Speaker Schultz. Those projects are not funded by the Building Australia Fund. Both of those projects are funded because they are good public transport projects in our cities that will improve the productivity, liveability and sustainability of those cities—Perth and Adelaide. The Perth project is a substantial commitment of funds from the Commonwealth government, in partnership with the Liberal Premier of Western Australia. The O-Bahn project is in partnership with the South Australian Premier.

These are both good projects. They are not funded by the BAF. It is unbelievable that those opposite cannot read a budget paper to get that information, but that is the fact of the process.

The member for Wide Bay also raised the issue of off-network projects. I note that they pursued the amendment in the House of Representatives but not in the Senate. They did not pursue it there. They say we are funding off-network projects in city areas, but they did it in regional areas. They used off-network projects to fund Campbell Parade, Bondi Beach and roads in the electorate of Bennelong. They used to fund whatever was politically—in an opportunistic way—suitable for their politics. It had nothing to do with regional funding. Their opportunism is simply extraordinary.

The member for Goldstein said that should have been the first element of our stimulus package. This is what the Leader of the Opposition had to say on Radio National in January this year:

The problem with infrastructure spending is that it is long term. There aren't that many projects that are literally shovel ready and so while infrastructure spending is a very important and legitimate part of a response to a downturn, you've got to make sure the infrastructure is infrastructure you would be spending money on anyway.

What is more, on Fran Kelly's program, the shadow minister himself said, 'That's why I raised earlier the significance of looking at maintenance programs across the country.' That is what he raised, because it was in the context of shovel-ready projects that were important.

What the government has done with its range of stimulus packages is, first, stimulated consumer demand and, second, brought forward infrastructure projects—14 roads projects, \$711 million; the injection of \$1.2 billion into the ARTC that was a part of the December stimulus package; the funding for local capital works through the regional and local community infrastructure program—(*Time expired*)

Mr BILLSON (Dunkley) (5.09 pm)—I have a couple of questions. I will start with local government. Minister, local government was told on 28 November that there was immediate cash available. I quote the Prime Minister:

By immediate, I mean immediate. Immediate means now. It's ready to go now.

Yet the funding did not flow through until late February. Are you in a position to help with any cash-flow problems that may emerge in some councils because of that delay?

I have a question in relation to the decision to pull forward a quarter of the quarterly financial assistance grants payments for 2009-10, which was an initiative that no-one asked for. In Senate estimates, not one of your officials could point to anyone in local government who asked for this quarterly pull forward of the 2009-10 financial assistance grants payments. Minister, can you point to someone who thought that that was a good idea? Again, will you be in a position to help with any cash-flow problems that councils approach you with? Was this instead really about getting \$480 million out of the deficit for 2009-10 and pulling it into this year?

On the topic of treating people thoughtfully, what are you going to do, Minister—and I know that you like a little bit of rough and tumble in politics—about the way in which area consultative committees have been treated, which is an abomination? They deserved some respect and the courtesy of the thanks of a grateful nation for more than a dozen years of work, and all they got was being told through some bureaucratic letter that they are likely to

have their funding cease. They are being asked whether they are going to die on their sword and whether they have any cash left that can be clawed back. They deserve better than that.

These were not political appointments. They were local people with insights into their regional economy and into their training infrastructure. If you are not prepared to send a thank-you letter, have the member for Brand send one; have somebody send a thank-you letter. I spoke about this issue in the parliament. I have had emails from right across the continent of Australia saying, 'Thank goodness somebody in Canberra is saying thank you for that contribution.' You should lift your game and do the right thing by the area consultative committees, Minister. You know that that is not the way to treat people who have given service to this country. It is downright disrespectful. It is an abomination. They deserved better. If you want to fit them up with some other arrangement, that is a decision of government, but there is no excuse for treating people so appallingly and with the disrespect that you have displayed.

On the topic of building the nation, is that just rhetoric that provides no explanation, Minister? That seems to be what it is. The Frankston Bypass was a project that was not only shovel ready but had people of your political persuasion out there with shovels begging you, Minister, to make some of the money available. Infrastructure Australia thought it was worth putting some money into; the former Howard government were committed to a substantial amount of funding to make sure that we in the south-east and southern areas of Melbourne were not fitted up again in another betrayal by a Labor state government saying: 'We'd love to give you a toll free road, but we've got no money. If you want it, it's going have to be tolled.' We are the only community in greater Melbourne that pays to use the arterial ring road. Minister, what is the explanation for you ignoring the needs of our community and ignoring the advice from Infrastructure Australia and instead having projects like the O-Bahn fall out of the sky and so concuss the transport minister in South Australia that he could not even explain why it was in the budget?

You have belled the cat today. We have learnt that all of this hoopla about Infrastructure Australia is nonsense when it does not suit the Labor government. We have heard from the member for Brand that the Premier, in a little sweetheart deal, was behind the Northbridge project. The member for Makin has made it clear that it was a purely political process that led to us getting the O-Bahn. This is not openness about infrastructure expenditure. Where do you get off, with this pea-and-thimble trip, in saying that depending on where the money comes from the rigour that is needed to judge the projects changes? What kind of funny money talk is that? The same level of scrutiny should be applied to everything. The fact that the same level of scrutiny is not applied to everything should be condemned and it shows what a fraud this is and how you are misusing the good people of Infrastructure Australia in terms of the evaluation of projects.

Talking about Infrastructure Australia, whatever happened to broadband? The broadband project—

Mr Albanese—Deputy Speaker Schultz, I rise on a point of order. I support a robust debate, but I am not going to be accused of fraud. He should withdraw.

Mr BILLSON—I withdraw. I meant that the process is a fraud, Minister. My apologies if it came out as though I meant that you were a fraud. I know that you are very genuine—except when it comes to the ACCs, but that is a discussion for another day. The process is a fraud, and it has been shown to be a fraud by this pea-and-thimble explanation that, depend-

ing on what pot of money it comes from, a whole different set of evaluation criteria is applied. This is taxpayers' money. They deserve scrutiny and accountability wherever that money comes from and however you want to brand it. Talking about branding things, what about broadband and the \$43 billion? I offered your party a way forward to a proper analysis of this project in the Senate.

Opposition members interjecting—

Mr BILLSON—I will get to urban policy, because it is all over the shop. What about the interconnectedness? Can you explain why there are bits of work going on when it needs to be joined up? (*Time expired*)

Mr ALBANESE (Grayndler—Minister for Infrastructure, Transport, Regional Development and Local Government) (5.14 pm)—I will respond on local government and the Parliamentary Secretary for Western and Northern Australia will respond on regional development. The member for Dunkley asked who supported our decision to bring forward the first instalment of the financial assistance grants to local government. The Australian Local Government Association in a media release said:

Councils will also welcome early payment of the first instalment of \$479.7 million of \$1.9 billion in Financial Assistance Grants to local government.

I say to the member for Dunkley: ask the mayors in the bushfire affected areas in Victoria, for example, whether they supported this measure. Ask them who supported this initiative. The member for Dunkley also raised the issue of the timing of local government funding. We held the Australian Council of Local Government here in Parliament House at the end of last year. It was not attended by the Leader of the Opposition or the Leader of the National Party, but we went ahead anyway and it was an extremely successful event. Mayors from all around the country attended and next week more than 400 mayors will gather here once again for the Australian Council of Local Government held in conjunction with ALGA as requested by local government.

We had a process whereby we dealt with the allocation of the \$800 million, both the \$250 million to each local government area and the \$550 million for strategic projects, in a way that ensured that the funding was provided as soon as was possible, contingent on good processes, including, after consultation with the Audit Office, ensuring that there was good value for taxpayer money. We had a process for the \$250 million whereby each council had to have its application in and it had to meet the criteria. Every council in the country benefited from it, unlike the scam under the Regional Partnerships program, condemned by the National Audit Office, whereby 10 coalition seats—every one of them coalition seats—got most of the money under that program.

Under strategic partnerships we also had an appropriate process that ensured that we had outside bodies look at each application to make an assessment of whether it met the guidelines and to do a risk assessment. Under that you will note that 53 per cent of the funding for the \$800 million went to Labor seats, 41 per cent, I think the figure was, went to coalition seats and six or thereabouts went to Independent seats. In fact the Labor Party got less than the proportion of seats that we hold in the parliament.

Can you imagine that happening under the former government? Under the former government the amount of Regional Partnerships program funding, the amount of community infra-

structure funding for local government in my electorate, for example, was zero—not a cent in 12 years. Every single electorate in this country has benefited, and every single local government area has benefited as well. On the speed of projects, we have delivered \$800 million over 18 months. The previous government allocated about \$70 million a year for RP and there were some projects that were announced in 2004, such as the Dalby Wambo events centre, where the contract was signed by this government in July 2008. It sat there for four years and nothing happened under RP, something that was criticised by the National Audit Office in their analysis of RP. The parliamentary secretary can talk about RDA.

Mr GRAY (Brand—Parliamentary Secretary for Western and Northern Australia) (5.19 pm)—I rise to raise some issues that have been brought to us by the member for Dunkley, specifically those relating to Regional Development Australia, RDA. In his question he referred to correspondence from our department to former area consultative committee members. I am not aware of the detail of that correspondence, but I appreciate that you will have given an accurate reflection of its content. To the extent that the content of that letter does not reflect the government's view that people who are part of area consultative committee networks performed to a very high standard, there are people there who worked very hard indeed in the interests of their communities. There are people there who saw the interests of their community and sought to serve. There are people on the area consultative committees who genuinely view the interests of their communities as being both worth while and the sort of thing on which they sought to represent their communities on area consultative committees as best they could. It is unfortunate that in so many ways people feel, as we transform to the new entity, Regional Development Australia, that their efforts have not been recognised and understood. We do understand that.

What I would like to say, too, is that in the process of transitioning to RDA it is our intention—advised by people from regional Australia, advised by state governments, advised by local governments and advised by members of communities—that it should be a one-stop shop, a single entity that people can deal with on regional development issues. It would mean that good, serious members of communities did not have to attend an area consultative committee meeting, their local council or shire meeting and then their additional meeting as part of a state development commission. So what we are doing here is bringing together two serious instruments, including the instrument which states have—in the case of Victoria, Regional Development Victoria, significantly supported by the Victorian government—with the intention of creating a good public policy framework around the delivery of regional development policies but, most importantly, to bring budget strength from the state government to match the insights of communities as part of RDA.

Doing that does mean that difficult choices are to be made. We understand that. We recognise that. We are up for the difficult decisions—we always have been. But we are not up for accepting that the process of making this transformation is at all wrong, unfair or a misuse of government funding. The people in the area consultative committees have in fact over the course of the last two years been insulted by two things.

Mr Billson interjecting—

The DEPUTY SPEAKER (Mr AJ Schultz)—Order! The parliamentary secretary will be heard in silence.

Mr GRAY—They have been insulted, first, by the abuse that was present in the way in which decisions were made about Regional Partnerships by the former government—and you know that. The member for Dunkley knows that. He has seen the three-volume report. He knows it runs to over 1,200 pages of critique of the way in which members of the community were taken for granted.

Mr Billson—Mr Deputy Speaker, on a point of order: In the spirit of the minister recognising where offence has been given, this is profoundly offensive to the ACC members—to fit up their lack of acknowledgement with Regional Partnerships. That is just adding insult to injury, and I think a thankyou letter would be good.

The DEPUTY SPEAKER—There is no point of order.

Mr GRAY—That was in fact your government, of which you were a part and you were a minister who fitted these people up, with responsibility for the rorted political decisions which that government chose to make. You know that.

The DEPUTY SPEAKER—The parliamentary secretary and the members across the chamber will get back to the core issue.

Mr GRAY—The core issue is, of course, how communities are dealt with by a government in Canberra seeking insight, seeking the best members of a community to serve on boards and to help the government make insightful decisions. We understand the importance of doing that. We understand the importance of the service made by members of area consultative committees. We understand the value that they brought to the table and we understand, too, the disgraceful way in which that trust was taken by a government hell-bent on shovelling as much pork as it could into 10 seats—the devil take the hindmost. All you wished to do was to win votes, to create a political footprint for yourself and to use the good name of people on ACCs to cover your bad work, your bad public administration and, what is more, your bad intentions of dressing up a pork-barrelling exercise as being allegedly on behalf of the community. Do we thank them? Yes, we do.

Mr RANDALL (Canning) (5.24 pm)—In relation to maritime matters, I would like to ask some questions of the Minister for Infrastructure, Transport, Regional Development and Local Government. I refer to his report *Rebuilding Australia's coastal shipping industry: inquiry into coastal shipping policy and regulation* tabled in October 2008—I will not go through where it took hearings et cetera—to Infrastructure Australia's *National infrastructure priorities* report, released in May 2009, which discussed the development of a national port strategy; and to the minister's speech on 5 June 2009, where he indicated the government would rewrite the Navigation Act.

I ask the minister the following questions. With regard to your flagged amendments to the Navigation Act, when will the government announce what particular changes it will be implementing? Specifically, what consultation will be undertaken with industry in the formulation of amendments to the Navigation Act; when will the government's response to the 14 recommendations made by the coastal shipping inquiry be finalised; and when will it be made public? The coastal shipping inquiry has recommended the creation of a national port strategy. When will this be finalised and when will it be made public?

In terms of maritime security, Minister, I refer to the fact that the maritime security identification cards, or MSICs, overseen by the Office of Transport Security are causing a lot of

concern in our water protection regime. There are many concerns, including about people with suspect criminal histories being allowed in sensitive maritime security zones. Some of these people have links with organised crime, especially bkie syndicates, and there is a lack of monitoring of personnel in maritime security zones. Questions in estimates revealed that the OTS is reluctant to advise how many MSIC holders have criminal records, but media reports estimate it to be 10 per cent. The OTS has confirmed that 42 people have received an MSIC on appeal. This means that 42 people allowed in maritime security zones have a maritime related offence on their criminal record. Twenty-four others were granted approval with conditions. Currently, the department is undertaking a review of the MSIC.

Minister, the questions are: can you advise what maritime security related offences the 42 MSIC applicants that failed their AusCheck security clearance but were granted an MSIC on appeal by your department committed; why did your department think it fit to give access to sensitive maritime security zones to applicants deemed to be unfit by AusCheck; what is the current status of the review of the maritime security identification cards; and when will it be finalised and made public?

Ms SAFFIN (Page) (5.28 pm)—The honourable member for Dunkley raised regional development and ACCs. I would like to give him a history lesson. When the coalition were elected to government, early in the piece, they sacked some of the then regional economic development organisations by email or by fax. In 1997, John Anderson was the minister responsible for regional development, and he axed the whole department. That is how important regional development was to the National Party and the coalition. So, when you make accusations, get your facts right—absolutely right. I have lived for a long time in a seat that the National Party held for nearly 100 years and did nothing for, delivered nothing to, but instead said one thing here and another thing back in the electorate.

The honourable member for Wide Bay then talked about rorts and frauds. The only rorts and frauds that were committed were political rorts and frauds by the National Party, in a declining party, in the regional seats.

Opposition members interjecting—

Ms SAFFIN—He raised it. I am telling the truth. You go around there appointing your senators to run around and tell lies all around the electorate. You have no commitment to regional development, none whatsoever. It is all a rort.

I commend the Minister for Infrastructure, Transport, Regional Development and Local Government for the investment in national infrastructure, in nation building, in jobs and in my seat of Page, which did not have anything put into it for ages. I will start with the Alstonville bypass. The local community lobbied for the Alstonville bypass for 17 years. They were promised all sorts of things. Nobody ever delivered. This government and this minister are delivering \$90 million. But the Leader of the National Party in New South Wales did not get this right either. On radio the other day he was talking about how it might be at risk under the state budget. Not a cent of it is from the state; it is all federal dollars—\$90 million. That just shows how out of touch and ill informed they are. Ninety million dollars put into the Alstonville bypass will make a huge difference to our local community, where about 20,000 cars daily go through Alstonville. They will be able to deviate around Alstonville and make a difference.

Honourable members interjecting—

The DEPUTY SPEAKER (Mr AJ Schultz)—Order! If members want to confer, they should do so outside the chamber. The member for Page has the call.

Ms SAFFIN—I turn to the Regional and Local Community Infrastructure Program. This is a historic program. It is working with local government. We are looking at local priorities and responding to regional priorities, which local government and local representatives have their finger on. It is responding to those and it is funding those.

In my seat, I have five local governments: Ballina Shire Council, Clarence Valley Council, Kyogle Council, Lismore City Council and Richmond Valley Council. Under Community Infrastructure Program funding, we have a total of \$4 million available for strategic projects. I have three of them, and one of them is in Evans Head. It is an aquatic centre. That is another project that the community worked for decades to get. No-one ever responded to it. They are now getting it. They raised money themselves. They are shovel-ready—ready to go. There is over \$6 million.

Another project is Wherrett Park in Maclean. Maclean is actually in Cowper, the seat beside mine, but there is a border near Maclean and most of the people in Page access and use Maclean. There is over \$2 million for the local sportsground there.

I will talk about some other projects in the seat of Page. The Grafton regional saleyards upgrade is a small investment, \$125,000, but it makes a massive difference to an industry, our beef industry, that brings in lots of dollars to our local regional economy. This was an election commitment delivered in the first budget, the budget of 2008-09. When it was put to the National Party during the election that they should fund it, they said no. Can you imagine the National Party saying no to funding an upgrade to the saleyards for the beef industry? (*Time expired*)

Mr WINDSOR (New England) (5.33 pm)—I will respond just briefly to the Minister for Infrastructure, Transport, Regional Development and Local Government. I agree with some comments that the minister made earlier about priority. The Hunter to Moree railway line is one of the key priorities in New South Wales and, as the minister would be aware, 50 per cent of freight going anywhere in Victoria, New South Wales and southern Queensland is actually in that Hunter-Moree corridor.

One of the great things that the budget did deliver—and you mentioned it a moment ago, Minister—was part of the \$1.2 billion in the December announcement. Part of that process was a \$580 million upgrade of what is called the Murrurundi tunnel, or Ardglen tunnel, between the electorate of New England and the Hunter. That is probably the most significant piece of infrastructure in terms of speeding up freight—and, as I said, 50 per cent of the freight on the eastern seaboard, in a sense, is on that particular route. The question, Minister—and you may not be able to answer it here and now, but could you take it on board—is: when will that upgrade of the Murrurundi tunnel commence? When will that be starting? Could you give the answer to me on notice, Minister, because I think it is very significant, particularly given the rhetoric that the government has been using. There are two other brief issues. In conjunction with the member for Page, I would ask you to look at the Legume to Woodenbong road, a road of regional significance linking southern Queensland with the North Coast.

The DEPUTY SPEAKER (Mr AJ Schultz)—The opposition whip on a point of order?

Mr Forrest—Mr Deputy Speaker, the scheduled time for the discussion of this particular portfolio is 5.30 pm. I would ask you to move on to the next portfolio.

The DEPUTY SPEAKER—Unfortunately, the chair has no control over the wishes of the whip in this particular debate.

Proposed expenditure agreed to.

Health and Ageing Portfolio

Proposed expenditure, \$6,429,649,000

Mr LINDSAY (Herbert) (5.36 pm)—I thank the Minister for Health and Ageing for her support in relation to a PET scanner for Townsville. Minister, you would also be aware that, on behalf of a particular proponent, I delivered a commercial-in-confidence proposal to your office offering a terrific deal for the Commonwealth in relation to attracting a PET scanner to Townsville. Minister, are you progressing that and is there money in the budget that might fund that particular proposal if it gets up?

Ms ROXON (Gellibrand—Minister for Health and Ageing) (5.37 pm)—I thank the member for Herbert for that question. He, his electorate and his community have been among the big winners from the health budget, with a massive investment in Townsville Hospital and the future development there. When I was in Herbert to make that announcement, I had a look at the hospital, and the member for Herbert and I jointly signed the new contract for the GP superclinic, the building of which will commence very soon. I think the member for Herbert was the witness for the signing of that contract, and it was good to have the support. It is going to be a benefit in the community.

The member for Herbert raised with me an additional issue about a PET scanner for Townsville, and I am happy for my department to continue to have discussions and look at that. But we are talking about investments that were made in this budget, and this is not an announcement that was made in this budget. Of course, there will be an opportunity in the future to look at a way that it can be provided. I know that the member for Herbert is pleased about the very significant investments that have been made in his electorate, and we are certainly happy to continue to talk with him. I think he might have slightly verbally abused me when he thanked me for my support for the PET scanner, because a decision has not been made by the government. But we are happy to work with the member for Herbert, as we are with all members, if there are needs in particular communities. But they will get assessed according to the normal procedures and it is not a commitment from this budget, although there are some very significant budget commitments in the member for Herbert's electorate.

Mr TURNOUR (Leichhardt) (5.38 pm)—I also have a question for the Minister for Health and Ageing. I thank the minister for her recent visit to Cairns in my electorate of Leichhardt. Health is a significant and important issue up there and it was particularly pleasing to hear the announcement of the successful organisation that will build a \$5 million GP superclinic. These infrastructure investments are important all across the country but particularly in an electorate like mine. My electorate has rapidly growing areas, such as the southern suburbs of Cairns, that need new health services to tackle many of the chronic illnesses we experience in this country.

You can build infrastructure but you also have to provide the workforce to work in the new clinics. I would like the minister to outline and expand upon the Rudd government's \$134.4

million rural and remote workforce package. You spoke about that when you came to my electorate. I know there are benefits in terms of attracting and providing incentives for doctors to come to places like Cairns, Cape York and other remote areas of Australia. I understand that the previous government was working on 20-year-old figures. I would appreciate it if you could update me and other members on the real benefits of our workforce package to electorates like mine and electorates all across the country.

Ms ROXON (Gellibrand—Minister for Health and Ageing) (5.40 pm)—I thank the member of Leichhardt for his question. He has been one of the most tireless advocates for health needs within his community, which is a very diverse electorate. The member for Leichhardt's seat is a good case study in where the government is prioritising its effort with the health budget. We are changing a system that the previous government had in place—the RRMA classification system—which used 20-year-old data even though the demographics have changed significantly and which did not pay doctors on any suitable scale. We believe that, the more remote you are, the more incentives and support you should get as a GP. This has fundamentally changed the sorts of incentives that we provide for doctors who go and work up in the cape. It has changed the incentives that are provided for doctors working in Cairns.

There is a whole range of other initiatives, which I know the member for Leichhardt will be pleased about, that show our investments across the whole health system. The \$130,000 that is going into Leichhardt for various programs spans Indigenous health and provides more money for the division of GPs, because the formula for what GPs had been paid previously was based on very old data. We have more money going into the Mums and Bubs program run by the Indigenous health service. I think that it will be really useful over the coming years to see how those investments play out in communities like the member for Leichhardt's seat, because we are doing something the previous government were never prepared to do. They were either too lazy or it was too hard. They did not want to look at paying more for those communities that were truly remote. They were not prepared to update the demographic data. It has been a really hard job. We have consolidated more than 60 programs into five streams. That takes a lot of administrative work, but it means that we are now using a classification system that is consistent across a whole lot of other government programs. It means that doctors can easily find out what incentives are payable to them, and I think it will be of huge benefit not only to the Indigenous community but also to the whole community in Cairns.

This funding comes on top of the money that has gone into the community for the dental school that is being built at James Cook University. There really is a lot of good news. There was a very high number of needs that were not being adequately dealt with by the previous government. This is a sign of what new investments, and reorientation, across the health system can deliver to local communities. I particularly want to thank the member for Leichhardt, who has been a tireless advocate in making sure I was aware of the range of issues facing his community and making sure that we are addressing those various needs.

Mrs MAY (McPherson) (5.42 pm)—I would like to put on the record some of my concerns about the aged-care industry. I am delighted to see that the Minister for Ageing is in the House this afternoon. There have been a number of reports—a Senate report, an Australian Productivity Commission report and a National Health and Hospitals Reform Commission report—and industry leaders talking about the crisis in aged care. In that Senate report, we even heard from government senators describing the crisis in aged care. Yet we had two stimulus pack-

ages and a budget brought down with nothing for aged care in either of the stimulus packages and very little in the budget.

Minister, I would like to know why the government cut the indexation of the conditional adjustment subsidy in this year's budget. You would know and understand that most of the industry was relying on that 1.75 per cent indexation on the 8.75 per cent they are currently getting as a way to plan for the future and put some money back into the industry. Minister, you would be aware that the Grant Thornton report identified that around 40 per cent of aged-care providers in this country are in the red. They are operating in the red and doing it really tough. We all recognise and acknowledge that we have an ageing population and that ageing population needs to be looked after.

In contrast to the aged-care industry, the Commonwealth committed to a new national healthcare agreement with a more generous indexation of around 7.3 per cent per annum for hospitals, and yet aged care got nothing; it missed out on the indexation. We do know that part of the aged-care pension increase was quarantined for those residents living in aged care, but, over a four-year projection, those aged-care providers are still going to be missing out. And I would like to know from the minister tonight how, in this country, aged-care providers are going to deliver the optimum care for senior Australians—around seven to eight per cent of them living in aged care?

In another area of concern, you would have been aware of the recent ABC program about the Aged Care Complaints Investigation Scheme. Clearly, according to the *Four Corners* report that night, the Complaints Investigation Scheme has not been doing what it has set out to do. If families or residents make complaints to the CIS, they should know that those complaints are going to be undertaken, that they are going to be investigated and that a report will come back to the complainants.

I would like to know, Minister, who makes the decision on which complaints are investigated? Because, certainly, that ABC report that night indicated that someone in an office decides whether or not a complaint is taken forward and is investigated. I think families in this country and, indeed, residents need to be assured that the Complaints Investigation Scheme that is in place does in fact undertake the duty that it is required to. I would like to know, Minister, that the funding for that body is in place, the steps you are going to take to ensure that the investigation teams do undertake investigation of complaints made by senior Australians in this country, and, indeed, their families so that they can be assured of the care that they are getting.

I would also like to ask the minister a question regarding the beds that have been handed back. These beds are worth dollars. We do know, over the past 12 months, there have been beds that have been handed back to the department. I would like some assurance tonight that those beds that are handed back to the department will again be up for subscription in the next ACAR round; that we are not actually losing those beds to the industry. We do know there is a shortage of aged-care beds and, if those beds that are being handed back are not actually coming back into the system, how are we going to make up for those shortfalls around the country?

Mrs ELLIOT (Richmond—Minister for Ageing) (5.47 pm)—I thank the shadow minister for the array of questions that she asked, and I will certainly address each of those in detail. Let me start off by saying that the Rudd government is absolutely committed to providing

aged and community care for our elderly Australians. Certainly we saw record funding when it comes to the sector in the budget—we are looking at \$44 billion over the next four years, which is an increase of \$2.5 billion over the four-year period.

In 2009-10, the government will provide a total of \$9.9 billion to support the aged-care needs of our older Australians—9.9 per cent more than in 2008-09. That is, indeed, a huge increase. Also, the budget will deliver an additional \$728 million over the next four years, which includes an additional \$14.8 million to increase viability supplements that the government pays to eligible residential aged-care providers in regional, rural and remote areas. This is very important—it is part of our ongoing commitment to support our older Australians, especially through our record funding.

The shadow minister asked specifically in relation to the conditional adjustment payment. The Rudd government is committed to retaining the conditional adjustment payment at the current level of 8.75 per cent on top of the basic residential care subsidy. Additionally, over the next four years, aged-care providers will receive \$2.3 billion through this payment. As I said, a total of \$14.8 million is being allocated to increase viability supplements, particularly for those in rural and regional areas. This brings total government funding for the viability supplement to \$72.3 million over the next four years. As a result of the pension increase, which we see in the budget, our aged-care homes will receive \$713 million over the next four years.

I will now speak about the impact of the pension rise on aged care. Firstly, pensioners in aged care will benefit from the increased pension and will have more money for their incidental expenses—a total of \$76.76 per week, which is an increase of almost 15 per cent on what they currently receive. As I said, our 2,830 nursing homes will receive an additional \$713 million over the next four years to contribute to their running costs. This is extremely important when it comes to not only making sure that we are addressing the needs associated with the ongoing costs that are incurred by the aged-care providers but also ensuring that some of that pension increase flows on to those pensioners in our aged-care homes.

Aged-care residents who are in care on 19 September 2009 and who are self-funded retirees or part-pensioners who have not benefited significantly from the pension rise will have their existing fee rates grandfathered until they leave care. For those entering care after that date who do not get the benefit of the pension increase, arrangements are being put in place to give them time to adjust their financial affairs; however, it is fair that eventually everyone on the same income level will pay the same fees. Over four years their fees will gradually increase until they are paying 84 per cent of the pension.

To ensure that aged-care homes receive the same level of income for all new residents entering care from 20 September 2009, a new, compensating government-funded aged-care supplement will be introduced. So the new standard resident contribution and the government supplement will start from 20 September 2009 and, as I said, deliver \$713 million over four years in additional payments to aged-care providers, including the supplement, at a total cost to the government of \$25.3 million.

Mrs May—Mr Deputy Speaker, I rise on a point of order. The minister is not answering the questions I asked. I ask that she please address the questions I asked.

Mrs ELLIOT—The shadow minister asked a whole variety of questions. I am outlining the major amounts of record spending in this budget and I am more than happy to go into extensive detail. We have covered some of the areas: firstly, there are the conditional adjustment payments; and, secondly, when it comes to the pensions, I certainly want to be able to provide that detail.

The next point that the shadow minister raised was the stimulus package. Aged-care providers can access some measures in the package, in particular some of the climate change initiatives. May I remind the member that these were initiatives that the opposition voted against, so I find it quite remarkable that they have brought them up.

The shadow minister brought up the issue of various surveys within the industry. There are a variety of surveys out there and we could—

Mrs May interjecting—

Mrs ELLIOT—I am more than happy to address each of those concerns. When we look at some surveys—*(Time expired)*

Mr DUTTON (Dickson) (5.52 pm)—My question is to the Minister for Health and Ageing. Minister, what criteria will be used to determine whether Australia's public hospitals have been fixed by 30 June?

Ms ROXON (Gellibrand—Minister for Health and Ageing) (5.52 pm)—I thank the member for that question. It is interesting that the Minister for Ageing can provide a very detailed answer and that the member opposite, who thinks the minister should not refer to her notes, had to read a question that I think lasted less than 10 seconds. The truth is that the shadow minister knows that we made a very clear commitment at the election that we would do a range of things, and we are absolutely doing that range of things. Firstly, we said that we were going to reverse the previous government's approach of pulling money out of public hospitals. This budget sees a 50 per cent increase in funding going into our public hospitals. We are starting to see results on that already, and we do not—

Mr Dutton interjecting—

Ms ROXON—I am coming to your question. You have asked your question and I get the opportunity to answer it.

Mr Dutton—Mr Deputy Speaker, I rise on a point of order. We are 40 seconds into the answer and there is still nothing about the criteria that the government will apply to whether or not public hospitals will be fixed by 30 June—not a word.

Ms ROXON—I think it is entirely relevant for me to give the context to the shadow minister. He cannot get a question up about this in question time. He has not asked me a question on health for months and months. We are happy to use this opportunity but it does mean I can explain—

The DEPUTY SPEAKER (Mr AJ Schultz)—The minister is reminded that we are not in question time. We are in the Main Committee and she will answer the question.

Ms ROXON—Exactly. I can explain the context, which I am going to, of the question that has been asked. We are making that extra investment and we have not heard anything from those opposite about a 50 per cent increase in public hospitals. We have said that by 30 June we will have a report from our Health and Hospitals Reform Commission. I am looking for—

ward to having that report, and we expect there are going to be a range of recommendations. We have seen the interim report. We know that there will be a range of issues that we will need to consider. That report will be made public and there will be a debate about processes from here. These are some of the biggest reform options since the introduction of Medicare by a previous Labor government, so in the last decades these are—

Mr Dutton—Just name one!

Ms ROXON—I am not going to have this process be abused through the shadow minister opposite not being prepared to listen to the answers. If he wants us to answer his questions, that is fine; we will. Otherwise we will let all the statements go, I will answer them all at the end and we will not be any further down the track.

The criteria that we made clear at the election and have made clear since are that we want to look at a range of things: have the states and territories signed on to significant reform to deliver better and more services through our public hospitals? I am on the record as saying that the COAG agreement that was reached last year was a significant step to that. On 1 July, all of the new requirements—reporting, new accountabilities and moves to activity based funding—come into place under our new National Healthcare Agreement. The shadow minister opposite does not want to acknowledge that we have been able to achieve more in terms of increased accountability and more transparent reporting than those opposite were ever able to introduce in their 11 years in government.

These are big changes, but I am not pretending—I would not pretend to the shadow minister opposite or to the public—that we have all of the answers right here today. We actually set up the health reform commission to provide us with advice, ideas and recommendations about what we will do into the future. We will look at it as well as at the performance in our public hospitals. We know that the *State of our hospitals* report, for example, will also be released at about that time; it provides a lot of data, albeit some of it is not as current as would be useful. The new investments that are coming online do not immediately show in some of the data, which has lag time, and I am sure that the shadow minister understands that. We will be making some further statements in the coming weeks on the process that will be followed for us to make that decision, and no amount of yelling and screaming by the shadow minister opposite takes away from the fact that we have invested a record amount in public hospitals—something that they never did—and are delivering benefits by working with our state and territory colleagues.

Mr NEUMANN (Blair) (5.57 pm)—My questions relate to the Minister for Health and Ageing, but first I want to thank the Minister for Ageing for coming to my electorate and visiting the Cabanda aged-care facility, where the government gave \$1.5 million. It is one of the biggest private employers in its area, just west of Ipswich. Based in Rosewood, it is a community aged-care facility. I just want to congratulate it for achieving the funding. Also, I think that when the Minister for Ageing visited she saw the Milford Grange project. We gave an interest-free loan to RSL Queensland to undertake that near Bremer State High School in Ipswich. I think we met one of the project managers, who was actually living in the next suburb to that particular project.

My question relates to GP training places and also the GP superclinic in Ipswich. Just before the last election, Minister, you came to Ipswich and you and I stood outside the Ipswich General Hospital and announced that there would be a GP superclinic in Ipswich—I think one

of 31 rolled out across the country. This is really important in my electorate. In 2005-06 the Ipswich and West Moreton Division of General Practice commissioned—I think with the University of Adelaide—a study concerning medical services in the Ipswich and West Moreton area. At that stage Ipswich's population was about 150,000 people, and of course it services not just Ipswich but the Lockyer Valley, the Somerset region and the Boonah part of the Scenic Rim. At that stage, the study showed that one in three GPs would retire within 10 years and that there were many GPs over 70 years of age. It also showed that there was one GP for every 1,609 people in the Ipswich and West Moreton area, and that is going to be worse because Ipswich's population is the fastest-growing in Queensland; it grew by 4.1 per cent last year according to the ABS figures. So the problem is becoming more acute and people are asking me questions about training places for doctors. Also, when can we expect the Ipswich GP superclinic to be rolled out?

Ms ROXON (Gellibrand—Minister for Health and Ageing) (5.59 pm)—I thank the member for Blair for that question. He is right that his very fast-growing part of the country is one of the areas where you feel the shortage of doctors most acutely, as well as rural and remote communities. Those suburban corridors where infrastructure and services do not necessarily keep up with growth in population are very important. We made a commitment in the last election to a GP superclinic in the area to help relieve pressure from a very busy emergency department and also to provide more services to the community. The consultation and tender process has been completed. I understand that very shortly an announcement will be made for the preferred tenderer, so I think a contract is only days away from being signed and we look forward to being able to make that announcement with you. I know there was extraordinary interest in this in the community in Ipswich, with a large number of bids. I think that is an indication that there is a very active GP community but one that is ready to expand and which sees this as an opportunity to be able to perhaps provide some better training facilities for new, young graduates. Something that is obviously part of our key strategy behind the GP superclinics is how we use them to attract new graduates to areas of need.

That goes to the other question that was particularly raised. We have removed the cap that was in place, instituted by the previous government, that did not allow more than 600 graduates to train as GPs each year. When we have this incredible shortage across the country we know that we need to change that. We have a new and increased number of graduates coming online in the coming years, and we need to make sure that it is attractive for them to go into primary care plus into regions where there are shortages. We have made the investments, which means there will be a 35 per cent increase in those GP training places in the coming years. I think that is going to be something that the community will welcome. We know that people become anxious if they cannot access doctors' services, and one of the key ways for us to ensure that they can is to make sure that we train more doctors. I think increasingly being able to train more people in primary care settings is going to be a valuable part of what we do.

I thought also that because the member is from Queensland he might particularly be interested that one of the components of the COAG agreement which is funded in this budget is investment in our emergency departments across the country. One hundred and forty-six million dollars is going to Queensland to invest in emergency departments across the state. This is something which is helping our communities by making sure that we have both the primary care services funded through our GP superclinics and other strategies as well as our hospital

services well resourced. I am sure that will be something that the member will watch closely, having been an active advocate in arguing for the superclinics. I look forward to shortly being able to make those announcements in his electorate.

Mr WINDSOR (New England) (6.02 pm)—I have two brief questions. One is to the Minister for Health and Ageing and one is to the Minister for Ageing. I will address the minister for health first. Minister, you may or may not be aware that in November this year there will be visiting scientists and oncologists from Europe, the United States of America and Asia holding a conference in relation to the use of high-dose radiation and radio wave therapy. You are aware of a lady called Jenny Barlow who has been very active in this area and have met previously with one of her staff. Since that meeting, Mrs Barlow has spent much time overseas talking in various countries where research is being done and has been done, some of it government backed, such as the United States and countries in Europe and Asia. My question is: given that these scientists will be in the country at that particular period of time, would you meet with these people to discuss the latest innovations in these particular technologies for the treatment of cancer?

My other question is to the Minister for Ageing. It is very brief and probably only needs a brief answer. Could you elaborate on the government's current policy in relation to young people with disabilities who are currently housed in nursing homes? I think there are something like 5,000 or 6,000 young people who are inappropriately housed in the sense that they are in aged-care facilities but are not aged, just disabled. Does the government have any plans to expedite some of those arrangements, particularly in relation to the coordinated work between the Commonwealth and the states?

Ms ROXON (Gellibrand—Minister for Health and Ageing) (6.04 pm)—I thank the member for New England. He has been a very persistent advocate on behalf of Jenny Barlow, who—I think largely in memory of her husband's treatment—has been a persistent advocate for this particular type of treatment in Australia. The member is right that my staff have met with her and I think the department also has met with her. In Australia there is not currently any evidence or recommendation that this is an effective treatment for cancer. However, we are open-minded about any new sort of research or evidence. I was not aware that some international experts were coming to deal with this particular issue. I am certainly happy to undertake to the member to get advice about who is coming and make sure that you and your constituent have the opportunity to talk to the right people. It may be that if this is under the auspices in any way of Cancer Australia it would actually be preferable to meet with some of those people, but my office is certainly happy to be kept up to date.

This budget makes some huge investments in cancer treatment—in new regional services that will be able to be provided. It includes \$600 million for cancer drugs. It is something that we are very focused on as a government and of course we have to keep abreast of new developments. If research shows us that we can do things differently we need to be able to respond to that. I do need to just sound a word of warning because we have been down this track before with your constituent: currently in Australia there does not appear to be any evidence that this is an effective intervention. But we certainly are open-minded to any new research or international evidence that would change our position on that.

Mrs ELLIOT (Richmond—Minister for Ageing) (6.06 pm)—I thank the member for raising the very important issue of the large number of young and disabled people in our nursing

homes right throughout the country. This has been an issue that this government has acted upon since we came into government 18 months ago. It is an issue of concern particularly for the Minister for Families, Housing, Community Services and Indigenous Affairs and also for the Parliamentary Secretary for Disabilities and Children's Services. They have certainly been working very hard at finding other means of moving a lot of our young and disabled people out of nursing homes and into other community settings. It is an issue that I know both of them have raised at many federal and state forums that have been held. It is one that we will continue to work on because you are absolutely right. In terms of young and disabled people we are looking at initiatives to have them in community based settings, and in particular not being in our residential care facilities which predominantly cater for frail older Australians. That is something that we have got a very strong commitment to work towards and I commend the parliamentary secretary for disabilities and the minister for families and community services for their very strong commitment in this particular area.

Mr BRUCE SCOTT (Maranoa) (6.07 pm)—My question is to the Minister for Health and Ageing. The issue of ophthalmology surgery is a very real one, particularly in my electorate. I know that it extends from the cities to the outback. In my own electorate the towns of Cunnamulla, Quilpie and Charleville—and, in the seat of Flynn, the towns of Longreach, Blackall, Barcardine and Winton—are towns that I am aware of where ophthalmologists come out from the city and conduct this surgery on a Medicare fee-only basis. Given that most of these people out there are not privately insured, if this is cut—as you propose—from \$600 to \$300 in November this year, I really feel that these doctors will no longer come out into those rural communities. It is a very real issue and I ask you reconsider that decision. I would see this not only as being able to give people sight again but also as a preventative healthcare measure because if people lose their sight or progressively become more impaired with their vision it does lead to the possibility of falls and a more extensive cost to the overall health budget.

I am sure the member for Solomon would be aware of how in the Northern Territory this is a very big issue. Minister, I really would urge you to reconsider this decision. It is something that is not going to go away and I think this should be seen more in the light of preventative health care as much as it is giving people back their sight. There is almost nothing more valuable than your sight.

Ms ROXON (Gellibrand—Minister for Health and Ageing) (6.09 pm)—I thank the member for Maranoa for that question because I know there is a lot of genuine concern, particularly in our rural and regional areas, about the impact of this savings measure. I do think it is worth my taking you through some of the data. We are certainly happy to talk, as we are continuing to, with Dr Bill Glasson and other ophthalmologists who are putting forward different proposals about how we might still be able to make a significant saving, which we think is appropriate when the technology has changed so significantly, but also make sure that we protect regional communities.

I need to highlight that we have only 23 per cent of cataract services performed outside large metropolitan areas, and only 0.4 per cent of these services are performed in remote areas. Most of those services, even in remote communities—probably the member for Solomon would be aware, although it is outside his electorate, of the arrangements at Alice Springs Hospital, for example—are actually for privately funded services to be conducted, although on the site of the public hospital.

People need to remember that this is a procedure which currently is being remunerated with hundreds of dollars. You used the figures of \$600 and \$300. The figures that we use are the cost when the measure would be introduced, which is \$830, being reduced to \$409—but proportionally, obviously, the point is the same. For the vast majority of these services, another \$1,700 is paid by private health insurance funds for the hospital costs on top of the MBS rebate. What we are trying to ensure is that, when we are being constantly asked, as we should be, by the community to invest in new technology, new medicines, new breakthroughs—and that costs money—we are able to reap some return when medical technologies give us the ability to do some of these procedures in a cheaper or quicker way.

No-one likes it if they are providing services that they can get a certain amount of money for and that amount is cut. I understand why the ophthalmologists do not like that; it is their income. But, ultimately, as the health minister, I have to make decisions on the best use of taxpayers' money, and that needs to be targeted towards delivering the best health services to people. I am not going to be in a position where the government and the taxpayer keep being asked to put new drugs, new technologies and new procedures into the healthcare budget and are never able to reap any benefit for savings that should be able to be recouped by the taxpayer.

Let me also tell you that we do understand, as I say, the rural and regional impact of this. It is why we have provided more than \$800,000 for additional ophthalmology services through the medical specialist outreach program. You would be aware, I am sure, in your electorate of Maranoa that there are ophthalmologists who visit your electorate as a result of that. We have just made a commitment to add another \$58.3 million to improve access to eye and ear health for Indigenous Australians, so in some of the communities, where there is fear that they might be affected by this, they will actually get extra services through a more direct funding process.

One of the challenges for us is that the Medicare schedule is a blunt instrument for differentiating between those ophthalmologists who might make quite a lot of money in their metropolitan practices and then cross-subsidise, effectively, by going to regional areas where they simply bulk-bill, as the member for Maranoa suggested in his question, and the vast majority of ophthalmologists who are not doing that. The taxpayer is still paying the extra amount for a procedure which is no longer as time consuming, although, in many cases, it can still be complex.

What I can undertake to do, and I have said this publicly, is continue discussions with the ophthalmologists and with members as to whether there is a different way to ensure that those services being provided in rural and remote communities are maintained and properly supported. I am also happy to work with the ophthalmologists who have suggested that looking at a complex item for those procedures that are more difficult than the standard cataract procedure might also be a better way to balance things. I am not ashamed of trying to protect the taxpayers' interest because it will allow us to invest in new technologies and new medicines as they become available, and that is something we need to be able to get our medical community to understand we have to keep doing over time.

Mr HALE (Solomon) (6.13 pm)—Health in this country, for all Australians, no matter where they live, should be a given, whether it is preventative or curative health. Obviously, in my seat of Solomon we live in a more remote part of Australia. I thought in the budget for 2009-10 we were the big winners. We did quite well in my electorate. I would like to ac-

knowledge the Minister for Health and Ageing and her continuing support of my electorate. My question is: can the minister provide some details on how my electorate of Solomon will benefit from the Health and Hospital Fund investment and how my community will benefit from changes the government has made to rural and remote workforce packages?

Ms ROXON (Gellibrand—Minister for Health and Ageing) (6.14 pm)—I thank the member for Solomon for that question because he is right that those in his community, particularly Darwin, have been very significant winners through this health budget. In particular, one of the significant-sized communities that benefits from using modern classification and demographic data for the rural programs is Darwin—that was previously excluded from the last government's classification structure. So now, for the first time, there is recognition that recruiting doctors to the capital of the Northern Territory, Darwin, is different from recruiting people to Melbourne or Sydney. That is obvious to anybody sitting here, but unfortunately that was not recognised in the system before. So there is a great new incentive—in particular, maybe, for young doctors, who might see it as an exciting challenge—to go off and work in the Northern Territory, where there is a shortage of doctors. Not only will there be even more generous incentives paid to those in the remoter communities of the Northern Territory, there will, for the first time, be significant incentives paid to those who are relocating to Darwin as well.

The Health and Hospitals Fund made some very significant investments for the Northern Territory, and particularly in the seat of Solomon. One of the most exciting commitments is \$27.8 million to build a Northern Territory medical school. This is the first time there has ever been a commitment to a medical school in the Northern Territory—and it will be the first. Of course, when we talk about the difficulty of getting doctors to communities, we know that one of the best ways is to actually provide training on site, in a community—to get people to settle their lives there, meet their partners, know that they can live there and enjoy the life and provide services to this fast-growing community of Darwin. That is going to be a very exciting opportunity. Instead of medical students—young people from the Northern Territory who want to be doctors—having to go off and complete their degrees in Adelaide, Melbourne, Sydney or Perth, they will be able to do a whole degree in the Northern Territory, and that will deliver very significant benefits long into the future.

On top of that, \$18.6 million from the Health and Hospitals Fund is going to build an accommodation complex of 50 units in the grounds of Royal Darwin Hospital for patients and carers. Again, I do not think it is hard for people to understand how important this will be in the member for Solomon's electorate, where so many people need to travel to Darwin—to travel quite long distances, often quite a significant distance away from their families and communities—to have services that can only be provided at the hospital. And building 50 extra units where families can stay to be near their loved ones who need hospital treatment is going to have a very significant impact on the difficulty or ease with which people can access hospital services. We know this is a big issue for our Indigenous communities. But in a vast territory like the Northern Territory I think it is going to be particularly significant.

On top of that again—and although it is outside the member for Solomon's electorate, it is in the Northern Territory—\$13.6 million will go to building a new emergency department on the grounds of the Alice Springs Hospital and relocating the medical imaging department. Again, Alice Springs is really the hub for all of Central Australia's services. It is a very good

hospital. It has very high demands. For the Commonwealth to be able to put some of its infrastructure money into enhancing services there is, I think, going to be very much welcomed by Northern Territorians, and I thank the member for Solomon for raising these issues with me. It has made us very aware of the particular issues in his communities, and we have been able to deliver, through the budget, for him.

Mr DUTTON (Dickson) (6.18 pm)—My question again is to the Minister for Health and Ageing. I ask again: please, Minister, could you state one criterion by which you will assess whether or not the government has successfully fixed public hospitals by June 2009? Could you, in your answer, please include even just one benchmark and the figure of that benchmark by which you will assess the success or otherwise of your election commitment to fix hospitals by mid-2009?

Ms ROXON (Gellibrand—Minister for Health and Ageing) (6.19 pm)—I have already answered the question and I do not intend to go through it again. But I do think it is disappointing that we have a multibillion-dollar budget before the chamber at the moment and the shadow minister cannot ask a single question about that budget—not one question. I presume that that is because he is going to support everything that we are doing—that he supports our investments and our strategic saving. Of course he is not going to argue against the sorts of investments that we have made in the electorates of the member for Solomon—

Mr Dutton interjecting—

Ms ROXON—or the member for Page or the member for Leichhardt. But, for all the belabouring that comes from the member opposite, this is a debate about the budget, and he does not have any questions on it.

Ms SAFFIN (Page) (6.20 pm)—I have two questions: one specific and one more general, but, before I go to them, I commend the Minister for Health and Ageing and the Minister for Ageing for delivering a health budget that heralded some of the reforms that were needed in the health system. Those national reforms have a significant impact on rural and regional seats. I thank both ministers for visiting my electorate at various times over the last year, in particular for the formal consultation on the GP superclinic. While that is an independent process, I understand that it is pretty well down the track. I also thank the Minister for Ageing for visiting some of the aged-care facilities in my seat of Page. I welcome the continued and additional funding so that those people can get additional respite. They are both very welcome initiatives.

There is a whole lot in the budget I would like to talk about, but I will start by saying it was wonderful to see the \$560 million for 10 regional cancer centres. The minister is nodding her head. She knows we have an integrated cancer centre at the Lismore Base Hospital, which will now receive money from an election commitment that I and the minister gave. All up, that commitment totalled \$15 million, so the medical and the general communities are getting ready to put in a bid for an enhancement to that, looking at a PET/CT scanner and accommodation services. We are awaiting the criteria. The digital imaging for mammography is a great initiative. Also, I know I speak on behalf of the member for New England when I welcome the \$295,000 for Urbanville so that the GPs can have the upgrade. We share that facility and that area.

Minister, many women in my community are celebrating the changes made by the Rudd government in the area of maternity services—something quite dear to my heart and I know dear to yours. On many occasions, I have heard you say that nurses are the backbone of our health system. These changes our government brings reinforce the vital role both practice nurses and midwives can play in the health system. Can you please outline how the government will recognise the valuable role and skills that these professions bring to the health system and to the broader community?

My other more general question is: what is the extent of the budget measures vis-a-vis ageing?

Ms ROXON (Gellibrand—Minister for Health and Ageing) (6.22 pm)—I thank the member for Page for her questions. The Minister for Ageing might want to address the more general question in terms of ageing. I thank her for her support for the infrastructure investments that are being made in the community. When you look at the whole health budget, we know that some of these relatively small grants can have a huge impact in smaller communities. I think that the reworking of the rural infrastructure grants—a change from the previous budget, but being delivered and enhanced now through this budget—has been a success story that we have seen results from quite quickly. I am pleased to hear that that is welcome and I am always interested in how our election commitments are being implemented and rolled out. I think Lismore will have a great integrated cancer service. The commitment in this budget to provide funding for 10 regional cancer services allows flexibility for existing services to apply to be enhanced and to be best practice regional services or for brand-new services to be provided and set up, particularly in areas where there is a lot of unmet need.

I, personally, am determined to address those quite depressing results of rural and regional Australians having far worse outcomes in cancer survival rates than their urban counterparts, and this is just part of us trying to turn around that trend. Some confidential consultations are going on at the moment with some specialists and stakeholders about the criteria in order to make sure that the process for the Health and Hospitals Fund is clear. We need to make sure that areas of need are properly identified but that we can also back good services that are already up and running and want to be enhanced and developed further. I know, for example, that the member for Riverina has already put her hand up to say that Wagga would be a great place to enhance their services. Similarly, I hear what the member for Page is saying, but it will be a process whereby we ask the Health and Hospitals Fund Advisory Board to assess the merits of each of the claims.

I thank her for the question about maternity services and nurse practitioners because this is a very big change announced in the health budget; a very significant change about the way we can best utilise our workforce into the future. It is important to recognise that very highly skilled midwives and nurse practitioners, who have master's degrees and, often, years and years of experience, have been prohibited from the full scope of their practice because of some of the funding arrangements provided by previous governments. We think this is an important step into providing women, in particular, with the choices that they deserve around birthing. We also know that we have a very strong birthing system in Australia and, by and large, a very safe system, and we need to make these changes carefully.

The period of time between now and November next year, when these items will go onto the Medicare schedule, allows us to ensure that we get all the provider numbers right—

because nurse practitioners and midwives, for the first time, will have Medicare provider numbers. It also ensures that we get the collaborative arrangements right so that midwives and nurses will have clear protocols for working with GPs or GP/obstetricians or obstetricians, and will have referral processes when situations are outside their scope of practice.

This is a way for us to provide safe care and more choice for women in our community, and I think it is long overdue. I am very pleased to hear that it is being well-received in your electorate, and I look forward to working with those in the community to see this change brought about. I also look forward to continuing to work with the states and territories on a national maternity services plan, where we will be asking the states to make sure that options—for example, more extensive birthing centres rather than the traditional hospital settings—are expanded in a range of hospitals across the country. This is the start of a change which could be quite significant, but will take time—maybe decades. If we do not start now, though, we will not see that change—which will be a significant benefit to women, not just in Page but around the country.

Mrs ELLIOT (Richmond—Minister for Ageing) (6.25 pm)—This government is very proud—as is the member for Page—with our record funding when it comes to aged care. \$44 billion over the next four years shows our very strong commitment to making sure that we are providing services for our older Australians. Indeed, if we look at that \$44 billion over the next four years we can see some of the increases. There is \$713 million over four years, in terms of pension reform. There is also the increase in the viability supplement of \$14.8 million, which will particularly assist those aged-care providers in regional, rural and remote areas. We are also committed to retaining the conditional adjustment payment at its current level of 8.75 per cent. This measure will see the aged-care providers receiving \$2.3 billion. What we saw in this budget is this government's continuous commitment to provide funding to the aged-care sector.

It also builds on the government's many other commitments to aged care, particularly issues such as one of our election commitments: \$300 million and zero-interest real loans to expand or build homes in areas of high need. We saw the first stage of that rolled out, which \$150 million in zero-interest loans. It great to see around the country the number of homes that are underway. In fact, in the electorate of Longman the other day, I opened up the first home to be the beneficiary of the zero-interest loans, which was absolutely fantastic.

It also builds upon the government's major election commitment, which was a commitment to transition-care places of \$293 million over four years. Transition care is so vitally important in making sure that we can move people out of hospital settings and into more appropriate settings whilst they are recovering from their hospital stay. It has been great to see the number of people that have accessed this particular program around the country, and the success that that has had. I know from talking first hand to many people who have been through the transition-care program how it has really impacted on and affected their lives. It is great to see that there are thousands of people right across the nation that have used this program, which is also part of our ongoing commitment to making sure that older Australians are able to access all the care and services they need.

I would like to touch on a couple of other budget measures briefly because they are very important. In particular, the change to our Continence Aids Payment Scheme, which is really

important to those people that receive and are part of this scheme. It gives them greater flexibility and access when it comes to accessing their continence aids.

I would like to briefly touch on a couple of other budget measures because they are very important. The change to our Continence Aids Payment Scheme is really important to those people that are part of this scheme. It gives them greater flexibility when it comes to accessing their continence aids. This is really important. I had many people approach me with the concerns that they had over the previous system. We are giving people a lot more flexibility and choice when it comes to accessing all of the aids that they need.

We also saw in the budget our ongoing commitment to palliative care, with \$14.4 million over four years. What we have seen right throughout this budget—particularly when it comes to aged care—is this government's ongoing commitment to providing services for our frail and our vulnerable older Australians right across the nation. We have 2,830 nursing homes with nearly 200,000 older Australians in them. I take this opportunity to commend the staff in those nursing homes right across the nation and the outstanding work that they do.

Mr DUTTON (Dickson) (6.30 pm)—My question is to the Minister for Health and Ageing. Will waiting lists be an indicator of whether public hospitals have been fixed by June 2009? If not, what criteria will be used to assess whether or not the government has met their election promise to fix hospitals by 30 June 2009—a date only 14 days away?

Ms ROXON (Gellibrand—Minister for Health and Ageing) (6.31 pm)—I thank the shadow minister for his now somewhat tediously repetitious question.

Mr Dutton—And three times you have refused to answer it.

Ms ROXON—Yes, and three times you have asked a question which is not about the budget. We are in consideration in detail. I cannot help it that, through tactics, you cannot make this a question to ask during question time. This is an opportunity to ask questions about the budget. The relevant issue relating to elective surgery, which was in fact in last year's budget, is the \$600 million investment. This is the first time a Commonwealth government ever put money into elective surgery, which delivered more than 40,000 extra procedures. The shadow minister is embarrassed by this because he never did anything. As Assistant Treasurer, he never lifted a finger to put more money into health, and now he is here with a multibillion dollar health budget and he cannot ask a question about it.

Mr HAYES (Werriwa) (6.32 pm)—I move:

That the question be now put.

Question agreed to.

Proposed expenditure agreed to.

Foreign Affairs and Trade Portfolio

Proposed expenditure, \$4,966,185,000

The DEPUTY SPEAKER (Ms S Bird)—I indicate to those present that the committee will first consider the foreign affairs area and then the trade area of the Foreign Affairs and Trade portfolio.

Ms JULIE BISHOP (Curtin—Deputy Leader of the Opposition) (6.34 pm)—The coalition bequeathed a strong economic legacy to the incoming Rudd government in November 2007. It also bequeathed a strong, stable, balanced and mature foreign policy. In the consid-

eration in detail stage of the appropriations for the Foreign Affairs and Trade portfolio, I want to focus on what appears to be one of the most significant policy decisions of the Rudd government and that has been to pursue a temporary seat on the United Nations Security Council for its 2013-2014 term, which will be a two-year stint.

To date, the Prime Minister has not made any case whatsoever for the bid or how it would be in Australia's national interest for Australia to win a seat. Nor has he provided any justification for the significant taxpayer expenditure that will inevitably be incurred, and has already been incurred, in order to pursue this ego-driven ambition of the Prime Minister, no doubt as part of his job application for the position of Secretary-General of the United Nations.

The Prime Minister, when asked about this, pointed out that by 2013-14 it will be more than 30 years since Australia last held a seat, and he said, 'It was a long time between drinks'—obviously in his best Barry McKenzie impersonation! He then argued that Australia could be more fully engaged with the United Nations, but he did not make clear how that would specifically assist Australia. At a press conference on 30 March the Prime Minister gave what is apparently his only attempt to justify this pursuit of a seat on the Security Council in these terms:

Australia is a strong supporter of the United Nations and while there are people who criticise the UN ... I believe it's important to see the glass as half-full rather than half-empty.

I do not know what that means in Ruddspeak, but it certainly does not give any justification or confidence to the Australian taxpayer. Then he said:

My view is pretty simple—you've got to be in it to win it, and have a go. We're about to have a go. I think 30 years is a fair enough old wait between drinks and I think it's time we actually got cracking.

That is the sum total of the Prime Minister's justification for the expenditure of tens of millions of dollars of taxpayers' funds on a temporary seat on the Security Council for 2013-14. Turning to this year's budget papers, the government said, in language little more understandable:

Membership of the Security Council would enhance Australia's ability to shape international responses to security issues.

I would ask the parliamentary secretary about the particular international responses to security issues that Australia is going to be able to shape by winning a seat on the Security Council. More specifically: what is the cost of the government's pursuit of a seat on the Security Council? I do not just mean the direct cost of \$11.2 million set out in the budget papers, but all of the costs, direct and indirect, that will be incurred between the budget and the year of the vote prior to 2013-14.

While I have the parliamentary secretary at the table, I will also turn to one concerning area where it seems that money in development aid is being diverted. We on this side of the House believe that the government's pursuit of the United Nations Security Council seat is having a major impact on the priorities of this government. In other words, it is seeking to change long-held foreign policy positions in order to win this seat on the Security Council—indeed, compromise long-held foreign policy positions. So my question is also in relation to the \$1.6 million in development aid to Thailand that has been diverted to 'other priority areas'. I ask the parliamentary secretary: what are those 'other priority areas' to which the \$1.6 million in aid to Thailand has been diverted? That is under part 2, 'expense measures'. My first round of

questions to the parliamentary secretary relates to the government's justification; the cost—direct and indirect—in relation to the Security Council bid; and, specifically, the redirection of \$1.6 million from Thailand. (*Time expired*)

Mr McMULLAN (Fraser—Parliamentary Secretary for International Development Assistance) (6.39 pm)—There is nothing very surprising about the government's ambition to get on the Security Council. Fundamentally the reasons are the same as the ones that the Howard government had when they sought to get elected to the Security Council—

Ms Julie Bishop—We inherited that.

Mr McMULLAN—and that the previous government, the Hawke-Keating government, sought; going back to speculation in the time of Fraser, as I recall; and, of course, back before then, when we did previously serve. It is a continuing interest of every developed country in the world, including Australia. I have never done a checklist to say, 'Every developed country in the world has sought at one time or another to be on the Security Council in the normal cycle of events,' but as far as I know that is the case—I cannot think of one that has not sought to be elected, and certainly there is plenty of competition for the position. So it is a stunningly timid proposition that somehow Australia alone amongst developed countries is not one that should seek to be elected—that we should shrink away from being part of the international effort about global peace and security and cower away in fear in case somebody asks us a hard question. No previous Australian government has ever had that view. I do not criticise the Howard government for not persisting with their view. They had their reasons at the time. I am not sure whether I would have done it or not at the time because I do not know all the facts that they would have had access to that we in opposition did not have access to. But they did not say that the Security Council was an inappropriate place for Australia to be or that there was no role for us or for our voice to be heard in the world.

The Australian government is committed to reinvigorating Australia's engagement with the multilateral system. We are committed to making a substantial contribution to global peace and security—a modest one. We are not the biggest country in the world, but we are not the smallest. We are about the 12th largest economy in the world. We are on the G20. We ought to be capable of discharging the reasonable obligations that all developed countries have and of making a useful contribution. But, more particularly, we ought to be able, like other countries seek to do—and which is one of the primary purposes of diplomacy—to shape global responses to our interests; to influence international approaches in ways that serve Australia's interests. That is why we have diplomats. That is why we have a foreign policy. It is about contributing to global peace and security and about trying to shape solutions in ways that serve our national interest and also that bring the interests of our region onto the international stage. Very few countries within WEOG—the Western European and Others Group, of which Australia is a member—have the capacity to bring Asia-Pacific issues to the Security Council. It is a legitimate and ongoing role. That is why we do it. It is not a unique reason and it is entirely consistent with the articulated priorities of the government in its foreign policy.

On the cost question, the government has, up to now, committed \$13.1 million to the campaign. We intend it to be targeted and cost effective. The budget does not make any provision for the final two years. The funding for the final two years will be considered in the 2011-12 budget context. But we do not expect this to be a massive expenditure. We have committed

\$13.1 million from 2008-09 and we will outline what the final two years will cost in the 2011-12 budget context.

On the other matter, I will just get some information for you. We do not actually have a bilateral program with Thailand, so I am not quite sure what the \$1.6 million is. I am just checking. I am aware there is something in the budget paper. I will get back to the shadow minister in just a moment on that.

Ms Julie Bishop—International agricultural research—redirecting funds.

Mr McMULLAN—Okay. I am aware there is something there. I am just getting some information for you on that.

Mr WINDSOR (New England) (6.44 pm)—I have a couple of questions for the parliamentary secretary. I would like to table a document in relation to Zimbabwe, in particular in relation to Australian government policy relating to Zimbabwe. I have a report written by Andrew Macpherson, who the parliamentary secretary has met before. He has done extensive aid, agriculture and food production work in various parts of the world, but particularly in Africa. I will seek leave in a moment to table the report that he has made to me.

He has recently been in Zimbabwe. He has been a resident of Harare for something like 18 to 20 years. He is currently living in Armidale, frequently travelling back to parts of Africa. He still has a home in Zimbabwe with his wife, who has been involved in a lot of international education programs, as well with African students coming to Australia. The issue that he raised, which I would like the minister and the parliamentary secretary to take on board, is the foreign policy initiatives in relation to Zimbabwe's government of national unity. He met with some of the ministers of the current government and also with the Australian ambassador. There seems to be a view—and it is a view that I hold in a sense—to do with Australia, because of Mugabe and the games that have been played over the years and the way in which the Mugabe government has really thumbed its nose at the international community much to the detriment of the people who actually live in Zimbabwe. There is a feeling coming through particularly from the Morgan Tsvangirai supporters that, with the formation of the government of national unity and because of the deteriorating economic circumstances and the virtual nonexistence of money in the country at the moment, rather than penalise the people of Zimbabwe to in effect penalise the president we should look at initiatives to help the government of national unity. It would not be putting money in the pockets of President Mugabe and his followers but would be embarking on processes, maybe through the United Nations or other organisations, whereby money could be used to assist in some areas particularly where reformers have a role to play in the new government. There is a feeling coming through in this document that I have here that would suggest that if we leave Zimbabwe out in the cold that will in fact play into the hands of the Mugabe thugs into the future. So I will table this document for the minister and the parliamentary secretary to look at. I think it is a good account of someone who has lived in that country, knows the agricultural scene in that country and the way in which people relate and knows of the efforts that are going on in terms of the government of national unity to improve that country. I now seek leave to table the document.

Leave granted.

Mr WINDSOR—I thank the House. The other issue that I raise briefly is Australia's foreign policy role in assisting agricultural production, particularly in Africa. I know that, for

example, Sudan, in these times when we are talking about food security, has the potential, because of its very extensive and magnificent dryland soils—and they are dry but Australia has dry soils as well—to produce six times the food that Australia produces. With the climate change debate, in particular the carbon footprint debate that is going to be going on, I think Australia will have to play a much greater role in assisting countries like Sudan—and I know there are political issues as to a place like Sudan—to come to grips with food production in their own countries rather than our having the transportation of food all over the world under some sort of artificial market in which many of the players cannot afford to pay for the food anyway—and with a carbon tax on top of that we do not know what that will all actually mean. So I would invite the parliamentary secretary to address those two issues. (*Time expired*)

Mr McMULLAN (Fraser—Parliamentary Secretary for International Development Assistance) (6.49 pm)—Firstly, I will respond as best I can, as I do not have all the information for the shadow minister, that the \$1.6 million is funding as to the Australian Centre for International Agricultural Research. As far as I can tell at the moment—and if there is any further information on this I will get it and send it to the shadow minister—this was an internal reprioritisation by ACIAR. There has certainly been no decision by me that required them to do it and I am not aware of any government directive or policy priority from us to ACIAR saying this is to be a reprioritisation. As far as I can tell, it was an internal reprioritisation by ACIAR. But if there is anything further I will check and I will let the shadow minister know.

With regard to the member for New England, there were two very important points. I do not have enough time to respond in, probably, all the length they warrant. I agree with him on both points. The Australian government has cautiously started to move on this. The international community is generally looking at this question of how to move from the exclusively humanitarian assistance that we provided in the Mugabe period so that we could be confident no money was, or was in any way seen to be, supporting that regime to being more open with the new government, even though there is some risk because, as Tsvangirai himself has said, the new government is not actually working in every way that we would wish and the risk of ZANU-PF's role continues. We are looking to find ways in which we can move beyond humanitarian assistance to support efforts by the inclusive government to restore basic services, particularly in an area that is one in which the Tsvangirai party ministers, the MDC ministers, are responsible, which is water and sanitation. We have started to move in that direction. It is a finely balanced argument to move forward sufficiently strongly to give encouragement and to show to the people of Zimbabwe that things are better and that there are benefits that flow—and some of that is evident on the ground in Zimbabwe, as I am advised—without running the risk that the money is supporting things that no Australian would want to see their taxpayer dollars go to. So you are right: the balance is shifting towards moving beyond the pure humanitarian, towards service delivery. We will proceed very carefully and cautiously, but we are moving in that direction. You are right. If you are reflecting your friend's contribution, he is correct.

With regard to agricultural production, there is a very big initiative in the budget about that. It is one of the major initiatives globally. Australia and most other donors have reduced their support for agriculture too far, and we are starting to reverse that progress. It is a very complex question, and there is a lot of detail in the budget papers, and if the member wants any

more I will get it for him. To summarise it, if you look at the wonderful, generous Australian warm-hearted response when starving kids appear on television, what we are doing about agricultural production is trying to stop the kids starving in the first place. It is a program to say, 'Let's get the food grown and delivered in the region, in the countries concerned, so that people can be more successful.' Australia has a particular role to play, firstly in research and, going back to the shadow minister's question, in ACIAR. ACIAR has this specialist role not just in Africa, but around the world. It is of dual benefit, to developing countries' farmers and to Australian farmers. That research is a doubly beneficial event. It also helps people because of the compatibility of our soils and climates. We have a unique capacity amongst donors to make a contribution, and we certainly intend to do so.

Ms JULIE BISHOP (Curtin) (6.54 pm)—I note what the parliamentary secretary had to say in relation to the attitude of past governments in relation to a United Nations Security Council seat. There may well be valid reasons for it. The point is that this government has not provided any rationale, any justification, for it. Excuse the cynicism, but no other government has otherwise gone against longstanding support for Israel in the way that this government did last year. The Rudd government voted in favour of two anti-Israel motions in the United Nations in 2008. It was very slow to withdraw its support for the Durban II conference, despite repeated calls from the coalition for it to announce an early withdrawal and for it to show moral leadership on this issue. The fact that it left its decision to the day before the conference started so that no message could be sent to other nations—and indeed it did not even bother to tell the Australian Human Rights Commissioner that the government had decided to withdraw—leaves one very cynical about this government's motives.

I also draw the attention of the parliamentary secretary to the United Nations Security Council candidacy figures. I asked about the direct and indirect costs. He will note that, in the budget papers, the government is providing \$11.2 million over two years for the bid. Is further funding required beyond 2010-11? What funding will be required for 2011-12 and 2012-13? If further funding is required, why is it not included in the forward estimates?

With regard to indirect costs, I also ask that the parliamentary secretary include the costs of the embassy at the Vatican, as the ambassador has said that one of his specific tasks is to lobby for a seat on the Security Council. Can that be taken into indirect costs, as well as the specific costs of the Governor-General's trip to Africa, where she confirmed that it was part of her brief to specifically lobby African countries? Could we have those details as well?

The really big ticket items come under the umbrella of overseas development assistance. There will of course always be many good reasons for directing aid to developing countries, but it would appear on the face of it that the Rudd government has been very cynical about the timing of its assistance. For example, under the banner of economic infrastructure, aid is \$11.9 million in 2009-10, \$22.3 million in 2010-11 and then there is a massive increase to \$166.2 million in 2011-12 and up to \$253.2 million in 2012-13. This huge increase occurs in the years of the United Nations Security Council vote and clearly the increase is timed to coincide with the Prime Minister's bid for the Security Council seat. Quite frankly, if the countries need aid now, why is it not being provided now? Why is it being provided in four years time? Can the parliamentary secretary provide any other rational explanation for this back-end loading of this funding to coincide with the Security Council vote?

Also, under the banner of food security through regional development, aid increases astronomically in the years of the United Nations Security Council vote, going from \$38 million in 2009-10, to \$53 million in 2010-11, to \$143.3 million in 2011-12 and to \$228.8 million in 2012-13. There is a global financial crisis, as we are reminded on a daily basis by the Prime Minister. If overseas aid is required, surely it is required now. Why is the government back-ending this funding to these countries in 2011-12 in particular? I ask that the parliamentary secretary direct his answers to this back-end loading of development assistance and food security through regional development.

Mr McMULLAN (Fraser—Parliamentary Secretary for International Development Assistance) (6.58 pm)—That is probably verging on the most ridiculous set of contributions about international policy I have ever heard from a shadow minister.

Ms Julie Bishop—Have you seen the media on it recently?

Mr McMULLAN—Let me deal with the relevant parts of it. I will ignore the ridiculous implications and the silly furphy about the Prime Minister wanting to be Secretary-General of the United Nations.

Ms Julie Bishop—Everybody knows that.

Mr McMULLAN—I know that you always copy other people's material, but this is not a good thing to be copying.

Ms Julie Bishop—Do I always do that, parliamentary secretary? It is a question of the public record.

Mr McMULLAN—To the extent that I contributed to that, I apologise. The first point is that international representatives of Australia see as part of their obligations pursuing the Australian government's diplomatic objectives. That is a stunning revelation, that the Australian Ambassador to the Vatican regards as one of his tasks pursuing an Australian government diplomatic objective. What a surprise that must be to everybody! There would be people looking aghast and amazed. That is part of the responsibility of every international representative of every country and it is similarly the responsibility of our excellent ambassador to the Vatican. When the Governor-General travels, she delivers messages that are consistent with the policy of the Australian government. That has been the case ever since we have had governors-general. It is their appropriate role and will continue to be. Nothing will change, whomever is in government. That is a statement of the bleeding obvious.

There is a more complicated, and I would have thought quite obvious, explanation for what is happening with regard to ODA. Our overseas development budget overall is determined by two factors: one is the proportion of gross national income that we are committed to, which is increasing year by year; the other is our gross national income—that is, the budget is the multiplication of those two numbers. What percentage of GNI are we contributing and how big is the GNI? Because of the global financial crisis, the gross national income is not expected to increase very much for the next two years and so the aid budget will not increase very much. It is only because our percentage commitment is going up that it will increase at all.

The budget assumptions drive an increase in GNI in the out years and that multiplied by the increased aid percentage creates a substantial increase in the aid budget in the third and fourth years of the forward estimates. It would suit the government and me better if the increases were more steady. That is what we envisaged when we were elected and what we en-

visaged in last year's budget, but the global economic crisis has meant that our gross national income has not increased as much as we anticipated. Therefore, the dollar value of our aid budget will not increase as much as we anticipated, so we will not be able to introduce the programs as quickly as we intended but, as the GNI percentage and GNI income goes up, our capacity to fund increases will be enhanced and that will be reflected in every part of the aid budget. You will see that same four-year profile everywhere. It is driven by arithmetic.

Ms JULIE BISHOP (Curtin) (7.02 pm)—I take it that the parliamentary secretary will be providing the details of the direct and indirect costs of the Security Council bid?

Mr McMULLAN (Fraser—Parliamentary Secretary for International Development Assistance) (7.03 pm)—I did say previously—and I am not meaning this to be critical, but I think you were distracted by one of your colleagues—that the funding for the final two years will be considered in the 2011-12 budget. I do not accept the thesis about this indirect cost. The ODA is not being driven by that; it is being driven by the arithmetic I described, so I do not accept that thesis. We will certainly have to be, will be, and are happy to be transparent about the direct costs. The next two years are reflected in this budget and the others will be in the 2011-12 budget.

Ms JULIE BISHOP (Curtin) (7.03 pm)—Just picking up on that, both the Australian Ambassador to the Vatican and the Governor-General have confirmed that part of their brief from the Rudd government was to lobby for the Prime Minister's campaign to win votes on the Security Council. It was part of the reason for the ambassador taking up the position and for the Governor-General's recent trip to Africa, where she visited a number of states—and we know there are about 53 votes in Africa. I would appreciate details of the costs and I am sure the government can attribute, particularly in the case of the Governor-General, how much of the trip was spent lobbying other countries. We have read in the media today that Rwanda has promised its support for the Security Council bid in exchange for the government providing support for Rwanda's bid to enter the Commonwealth and that the Rwandan delegation was paid for by PM&C. There is a whole raft of indirect costs. I would appreciate it if the parliamentary secretary could provide that information.

I also wanted to ask about the Prime Minister's attempt to form a European Union style of community in the Asia-Pacific. There have been reports that about \$500,000 has been spent on this further ego trip on the part of the Prime Minister. Would the parliamentary secretary provide me with how much money has been spent to date in relation to that—which would include Mr Richard Woolcott's expenditure and whatever payment he has received. I specifically ask the parliamentary secretary: how many nations have given their unequivocal support to this venture? We do know that in the world of diplomacy people talk in the most polite language so as not to insult or offend but a number of officials have described this initiative as dead in the water. There has been considerable publicity about the very lukewarm, bordering on neutral, approach of virtually every country that has been contacted. So I would appreciate the government's view on the number of nations and the names of those nations that have unequivocally supported this venture of the Prime Minister's.

In the time available I would also ask the parliamentary secretary about an item on enhancing regional counterterrorism effectiveness. There is no increase in the funding and I was wondering whether this program was meeting its objectives. Perhaps the parliamentary secre-

tary could make some comment about the item of enhancing regional counterterrorism effectiveness, where there has been no increase at all in the funding.

Mr McMULLAN (Fraser—Parliamentary Secretary for International Development Assistance) (7.06 pm)—I did refer previously to the question about the Ambassador to the Vatican and the Governor-General. I made my views clear about that. I think the shadow minister was distracted and she might check the *Hansard* about that, but I do not accept her indirect cost thesis, at all. With regard to the Prime Minister's proposition concerning the Asia-Pacific community, there are no extra funds in this budget. Anything that is done will be met out of the existing resources of the department. There is not a specific allocation in this budget for that. I have not had a chance personally to discuss this with the special envoy, Mr Woolcott, but as I understand it the general view is that the proposal is proceeding about as well as we could expect and we remain positive about the prospects for that proposition. That is the situation as I understand it to date.

I do not immediately have anything on that last matter that the shadow minister raised but I will check for her and get something to the shadow minister because it is a legitimate point. I do not have anything immediately before me; I will get that for her.

Ms JULIE BISHOP (Curtin) (7.08 pm)—I just have a couple of other items. There is an item in the budget papers on enhancing Australia's regional engagement. The government is providing \$106 million over four years, including \$13.8 million in capital funding for fit-outs. I understand that, but it is to enhance Australia's diplomatic engagement with India, Pakistan, Africa and Latin America. Is the parliamentary secretary able to give details of how that funding will be allocated amongst the nations and continents so described in that item in the budget papers?

Mr McMULLAN (Fraser—Parliamentary Secretary for International Development Assistance) (7.09 pm)—That is a matter the details of which will be outlined during the course of the year. It is not a matter that has been finally decided as to its subparts. During the course of the year, as the decisions are made they will be announced. So I cannot do that now; it has not been decided. The money has been set aside in the budget. We have a general level of understanding and commitment about it but the details as to which country, and which particular purpose in which place, are matters that will be decided during the course of the year.

Ms JULIE BISHOP (Curtin) (7.09 pm)—Surely, Parliamentary Secretary, there must be some idea within the department, when asking for \$106 million over four years, of how the money would be spent, on what matters, in which countries or in which continents. When you are talking about Africa and Latin America there are about 50 countries in Africa and perhaps some 20 or 30 in Latin America, so I would be interested to know if there has been any attempt to identify the break-up between India and Pakistan and between Africa and Latin America. What is the balance? Surely that was in the minds of the government when they allocated this funding or in the minds of the department when they sought \$106 million over four years.

There was just one question I had that might fall under trade, but it was within the budget papers. My question is in relation to the Australian Trade Commission and the reduction in promotional activities. The government is reducing expenditure on promotional activities that raise community awareness of Australia's Getting into Export program. Would the parliamentary secretary provide an explanation as to why that funding has been reduced?

Mr McMULLAN (Fraser—Parliamentary Secretary for International Development Assistance) (7.11 pm)—I will deal with the last one first, as I am sincerely hoping that the Minister for Trade is going to come along and deal with the trade issues. Otherwise you are going to get very rusty old information from a long time ago, because I do not deal with that area, and I am expecting the Minister for Trade.

Of course, in my answer I did not mean to say that the \$106 million was plucked out of thin air or based on no planning; it is simply that the final decision about the allocation has not been made. We have looked at the parameters of what is needed against the resources available and there is an envelope and a series of particular decisions that have been made about applications of it. There is of course some work underway but nothing that is at a level of finality that I, or the minister, am in a position to announce at this stage. But the money has been set aside to strengthen our engagement with some of those key countries. I look forward with some anticipation to the detail being made available. And I am looking forward with even more anticipation to the Minister for Trade arriving to deal with his particular issues!

Ms Saffin interjecting—

Mr McMULLAN—Much as you are very welcome, Member for Page, I was hoping that you looked more like the trade minister—but thank you!

Ms JULIE BISHOP (Curtin) (7.12 pm)—I want to turn to the issue of Kabul and the new chancellery construction project feasibility and planning. The government is providing \$3 million in 2009-10 to undertake a feasibility and planning study. Is the parliamentary secretary able to advise of the likely time frame of this feasibility study. What will be the basis for proceeding? What are the criteria for confirming that a new chancellery will proceed? And could you perhaps give us an indication as to the likely cost of such a construction, taking into account the particular circumstances, but also precedents where we have constructed new chancelleries from the outset.

Mr McMULLAN (Fraser—Parliamentary Secretary for International Development Assistance) (7.13 pm)—The situation with Kabul is that we have commissioned a report—this is a difficult place to work—and the plan is that the report will guide a decision for next year's budget about exactly what we proceed with and the character and cost et cetera. That is the time frame but I cannot absolutely guarantee that it will be done in time for that because of the difficulties of working in Kabul. But that is the plan.

Ms JULIE BISHOP (Curtin) (7.14 pm)—And my other questions about anticipated costs based on precedents from other chancelleries?

Mr McMULLAN (Fraser—Parliamentary Secretary for International Development Assistance) (7.14 pm)—It would be a very specialised situation because of the security situation. Beyond that I cannot help yet, but I expect that to be in next year's budget papers, unless something goes awry in the next 12 months.

The DEPUTY SPEAKER (Hon. DS Vale)—It being almost 7.15 pm, the Main Committee will now consider the trade segment of the portfolio in accordance with the agreed order of consideration.

Mr NEUMANN (Blair) (7.14 pm)—I have some questions for the Minister for Trade. It is interesting that I have been joined here by the member for Page, because the first job that I had in life was as a cleaner in a meatworks at Dinmore. I still have my AMIEU union mem-

bership ticket. I understand that the member for Page also worked in the beef industry at the same meatworks. I am not quite sure if it was at the same time. My question relates to the beef industry and exports, because that is a very big issue in my electorate. In my electorate we have a number of meatworks, including the biggest kangaroo meatworks at Wulkuraka. But there is beef production as well. There is a meatworks in the Lockyer Valley that produces meat for domestic consumption and also one at Church Hill in Ipswich that does the same. At Dinmore, they kill about 18,500 beasts a week for export overseas, and thousands of workers work at that plant. There have been some issues there over the last year in relation to 457 visas.

The workforce down there is very important. It is part of the 121,000 workers who work in the beef industry in Australia. The continued production and distribution of beef exports is very important for my electorate of Blair. Thousands of families in my electorate rely upon contracts overseas, on our free trade agreements and on the multilateral agreements that we engage in with respect to South-East Asia. We export beef all across the world: to Muslim countries, to Europe, to Asia and to the Americas. It is always very important, Minister, that we ensure the free flow of trade. It is particularly important at this time of global financial crisis. Particularly with the global recession, the workers in my electorate of Blair very much want to know about the viability of the beef export industry.

In particular, Minister, I would like you to outline if you could the efforts of the Cairns Group with respect to securing outcomes that enhance the export of beef and the opportunities for beef producers, such as the farmers in my electorate. Geographically, 95 per cent of my electorate is rural. They are very interested in this. Beef production is very important. The farms are mainly in south-east Queensland, but beef comes from all over Australia to Dinmore, where the workers slaughter the beasts and from there export them. Can you outline for me and for the benefit of my constituents the efforts that you are making and the efforts that the Cairns Group is making to secure outcomes so that we have a ready supply of export markets available? That is very important at this time for the employment prospects of my constituents but also for the economic future of our country.

Mr CREAN (Hotham—Minister for Trade) (7.18 pm)—I thank the member for his question. Clearly, a key part of the WTO negotiations is to improve market access across all sectors but in particular agriculture. One of the key factors on the table that has been negotiated to date is a significant reduction in the trade distorting subsidies that both the US and the EU engage in. In fact, there are significant reductions committed to if we can conclude the round. That is not to say that what that does is to give totally open opportunities in the European markets, for example. But we are keen to ensure that the flexibilities that remain for those countries in these negotiations do not result in further restrictions. To put it the other way, we are looking for flexibilities within the final settlement to increase quota access, for example.

You would be aware that the negotiations stalled last July, even though 80 per cent of the Doha Round is effectively concluded. The difficulty last year was in bridging the gap with the 20 per cent, and, quite frankly, the last six months have seen a stalling in progress at that level because of the US elections, the transition to the new government, the new US trade representative settling in, and the elections in India. The big breakthrough that we made last week—and the shadow minister, who I see is with us today, was also up at the Cairns Group meeting in Bali—was to not only get a resolution by the Cairns Group to re-engage at a senior-officials

level and drive it at the political level to conclude the Doha Round, but also to get engagement with and support for that proposition by both US trade representative Ron Kirk and the new minister for commerce from India, Anand Sharma. That has given important new impetus to the round but, clearly, it is not going to be enough unless we can continue to drive it.

So there are meetings scheduled in the next couple of months that, at a political level, will enable continuing engagement to assess the opportunities. And I am talking here in the general sense—I know the question was specifically about beef, but I think the message that I am conveying here is that the Doha Round is going to be a good outcome for trade and for market access generally. We have got the OECD meeting next week in Paris. Officials are meeting in Geneva this week. We hope to be able to report progress and to engage. There will be a similar opportunity to try and advance this at the APEC trade ministers meeting in the middle of July. So I am encouraged, but it is going to need some persistence.

In terms of the beef market, one of the important bilaterals that we commenced recently was with Korea—we had the Korean Trade Minister out here—which is a crucial market, from a beef industry perspective, because of the agreement that has been reached now for products from the US to go back into Korea. We have indicated that what we want, from an offensive point of view, is to secure improved market access and, obviously, we will pursue that in the context of the Korean free trade agreement. Korea is a very good example because, even though the US market has opened up, Australian market share is holding up really well. And that reflects the quality of the product.

I shall conclude on this point. There are two crucial aspects to us improving our trading position: (1) is opening up the markets, but (2) is having quality product and an efficiently produced product that can compete in those markets. (*Time expired.*)

Mr TRUSS (Wide Bay—Leader of the Nationals) (7.23 pm)—I would like to ask some questions about the progress on a number of trade agreements, but there is a matter that has arisen in the last couple of days that I think deserves the first priority. That is the decision by the New South Wales government in its budget to give preference to Australian made goods, for purchases at the state level. An article by Rowan Callick in today's *Australian* states:

... the NSW government's plan to prefer Australian-made goods amounted to a suicide attack on the nation's biggest source of imports, China.

The article also refers to the potential impact of this decision by New South Wales on our trade agreements with the United States, New Zealand and Thailand—and, I would add, with Chile, Singapore, and ASEAN. This is clearly a trade restriction and is one that is going to have potential impacts on countries that would like to supply services to the New South Wales government.

I note that a spokesman for the Chinese embassy in Canberra is quoted as saying:

We are opposed to trade protectionism. History shows it hurts not only the targeted countries, but also those seeking to protect themselves.

That is a welcome statement of principle from China that I hope will be translated into their own economy. Alan Oxley, a respected former trade negotiator, asked:

Why is Australia's least competitive, lowest-growth state doing this?

Even before the downturn, NSW was our weakest performing economy. It is the state that can least afford to implement even worse policies.

So, clearly, there are a number of concerns about the decision by the New South Wales government, and I ask the minister: what is the government's position in relation to the New South Wales government's announcement? Will the federal government follow a similar path in relation to purchases? What plans does the government have to deal with New South Wales on this issue—or, for that matter, any other state that introduces these kinds of preference clauses? And do you have plans to defend any actions that might be taken in the World Trade Organisation or, for that matter, by our partners to these various trade agreements? I think those are some key questions.

While I am on my feet, and rather than use up all the time, can I refer the minister also to a question which was asked during the previous estimates but which the parliamentary secretary naturally was not able to answer because it was within your portfolio. The shadow minister for foreign affairs asked about the decision to reduce promotional activities by the Australian Trade Commission. You will be aware that there is a budget reduction of \$1.2 million. She asked why that had been reduced and which programs were likely to be cut.

While I am on those sorts of issues, can I also refer to the Export Market Development Grants scheme and note that in this year's budget the government has provided an additional \$50 million for claims in 2008-09. I understand that the government is of the view that that will be sufficient to pay all the claims in full. The government had previously provided an extra \$50 million for claims lodged in 2009-10 and, at additional estimates, the department advised that this was the amount the government estimated was needed to cover the changes which the government had made to the scheme for the grant year 2008-09. I guess this means that there will therefore be another \$50 million shortfall for the payments made in 2009-10, assuming that there is the same level of activity in the grants scheme as has occurred in the past. So I ask: does the government propose to provide another backdated payment in the next budget to give the assurance to exporters that they will have their claims paid in full, and what will be the situation in the out years?

Mr CREAN (Hotham—Minister for Trade) (7.28 pm)—First of all, in relation to the decision about government procurement in New South Wales: we are very concerned about it but are checking the full details and its implications. I have read newspaper reports; I have not seen the details. If, in fact, though, it is going to be an initiative that gives a price differential to Australian product of 20 per cent, we are opposed to that because that amounts to a tariff. We do not believe that government procurement mandated or price impacted is the correct way to go, and we will strongly resist it. Not only does it run the risk of being contrary to our trade obligations; it is clearly contrary to commitments that we, amongst G20 leaders, made at the G20 summit to resist the spread of protectionism in the context of the current global financial crisis.

We should resist the spread of protectionism in any event because if any lesson was learnt from the Great Depression it was that tit-for-tat reaction and the downward spiral of protectionism costs jobs; it does not create them. I would have also thought that the 20 per cent price differential was an odd decision for the New South Wales government to be taking in the context of having to balance its budget, because clearly it is imposing an additional cost in there.

The other reason this is a flawed and misguided approach is that part of what we are trying to negotiate in our trade agreements is access to other countries' government procurement

opportunities. Too often people ignore the importance of trade being an ability to penetrate other markets and not just the export of product. We will wait and see what the full details are. I have written to the New South Wales Premier on the basis of the story yesterday expressing our very strong concerns, saying that the government is opposed to the measures as they were reported and seeking clarification that what is proposed is consistent with not only our trade obligations but also the spirit of our commitment to the G20 exercise.

The question on the EMDG, with the greatest of respect, is one of the most hypocritical I have ever heard. What we have done in this budget is fund the shortfall that we inherited for this year, because this year is a reimbursement of costs incurred based on promises the previous government had made but never funded. When we came to office—and this goes to the second part of your question about the shortfall next year that was already covered in our last budget because we allocated \$50 million for next year to reimburse the costs incurred this year based on the changes we made—we funded our proposals. We should not have to fund your failure. The fact still remains that in the context of this global financial crisis, where we understand the fundamental importance of securing market share because our exports have been holding up really well, we were not going to leave our exporters in the lurch. We secured in this budget an additional \$50 million to cover your shortfall. So not only is this a hypocritical question but I think it highlights the fact that you as a government paid lip service to the importance of exports but were never prepared to fund them. We will not let our exporters down; we will fund them.

As for ongoing commitments, that is a matter for next year's budget, but we will be operating in the context of the Mortimer review and the recommendations that come from that. I have already indicated to the industry that services export markets around the country that they are also going to have to come to grips with the thrust of the recommendations contained in the Mortimer review. We are going to put it on a solid footing going forward. We are going to do what you failed so miserably to do. (*Time expired*)

Ms SAFFIN (Page) (7.33 pm)—I have a question for you, Minister, relating to the budget bolstering of Australia's diplomatic efforts in support of our trade and investment priorities. But, before you answer it, I would like to make some comments on the record about the protectionism issue and what you have commented on. When I looked at the figures—I got them from the then Northern Rivers Regional and Development Board, which has now merged with Regional Development Australia—I saw that about 19 per cent of jobs across my seat of Page were reliant somewhat on exports. Often people are quite surprised when they actually look at the figures and go through them region by region. That was just a basic rule-of-thumb measurement we did, but it showed that.

Last weekend, I visited Brookfarm, which is just a little bit outside my electorate. They are major exporters who, like a lot of people, started off small—one was a dentist, one was from the film industry. A lot of members here travel on Qantas; well, if you get muesli on those flights it comes from Brookfarm. Their product is really successful: macadamia muesli.

There are lots of businesses and producers and small farmers like that right across Page, and they want the government to continue to make sure that we have access to export markets, because that is important. If we go down the protectionist path, we will close up access to the markets that we need. It is a two-way street. It is vital that the global financial crisis

does not result in an increase in protectionism. We know that trade is part of the solution, not the problem. That was clearly demonstrated at the G20 leaders meeting.

A DFAT report released at the beginning of June showed clearly that the benefits of trade were worth up to \$3,900 a year to an average family, and one in five jobs was dependent on trade. So it is really important to have that access to export markets and not have protectionism. The report highlighted the danger of protectionism to Australian families and workers, and to producers.

At their London meeting the G20 leaders reaffirmed their commitment to free trade and expanded their pledge to combat protectionism. But I am sorry to say that I did see that our friends in the US have reintroduced a dairy subsidy. That is really disappointing. I have spoken about it before in this place. It is something that is unfriendly and it takes them down the path of protectionism. There are some other signs of it but generally there is a commitment to combat it.

There are a few other things. There are moves towards protectionism locally. I know all of us say 'shop locally', 'support our local producers'; we all do that. We have local producers markets. It is what we do to help. While some grow exclusively for the local market, a lot of those local producers grow not only for the local market but for the export market as well. There is a grower of orchids in Woodburn who exports them. You would not expect it—just small amounts of them, but he exports them. I have such producers right across the seat of Page.

I was at Primex in Casino the other day. It is a huge national event based on the beef industry. The Northern Co-operative Meat Company is also in Casino, which I know, Minister Crean, you have visited and I have visited many times with you. They employ over a thousand people and export to other markets. It is crucial that our efforts in support of our trade and investment priorities also attach themselves to this fight not to go down the protectionist path. So, Minister, my question is, simply: can you explain how the budget bolsters Australia's diplomatic efforts in support of our trade and investment priorities, please?

Mr CREAN (Hotham—Minister for Trade) (7.38 pm)—The budget made some important additional appropriations to not only boost our representational roles overseas but also strengthen our efforts in promoting trade opportunities overseas. That is one aspect of it. The second aspect of course is the EMDG, which I have just gone through—a commitment of \$50 million to support reimbursement of costs associated with exporting opportunities. The third is the fact that we also funded in the budget an area of activity that I believe is going to be important in terms of export opportunities for the future, and that is clean energy and efficiency. The fourth area is the importance within the automotive industry package of our ability to integrate more effectively in terms of clean cars and clean technology and to position ourselves much better in the global supply chain.

Another area of activity that has increasingly been absorbed into Austrade's activities is Invest Australia, the question of drawing investment to this country and in many senses understanding the importance of investment as the new form of trade—the two-way dimension of it.

So there is much in the budget that is being done to promote our export efforts. I am reminded by the honourable member's reference to the importance of trade for jobs that the re-

port that was put out by the Centre for International Economics shows that one in five jobs is trade related. It is important to understand that, of those roughly 2½ million jobs, 1.4 million are in export related activity and 1.1 million are in import related activity, in logistics, transport, retail. This is important to understand. When people talk of trade, we do not just mean exports. Our ability to take a cheaper component, convert it, value-add it and re-export the product is a significant factor in where Australia's future lies, and all of those clean energy technologies are good cases in point in terms of that opportunity.

We understand the importance of trade not just to Australia's economic future; we understand the importance of it in terms of job opportunities for Australians. That is why we have been prepared to make considerable commitment, in the last budget and in the previous budget, to lifting not just our export performance but our trade performance.

Mr TRUSS (Wide Bay—Leader of the Nationals) (7.42 pm)—I would like to ask the Minister for Trade for an update on some of the negotiations on free trade agreements and ascertain just where we are up to with a number of these agreements. Can I first refer to the Gulf Cooperation Council FTA. The minister would be aware that this is of particular importance to us from an Australian perspective, not just because of new trade we might be able to open up but also for defensive reasons, because, if the GCC were to negotiate an FTA with other car-manufacturing countries before Australia, it could have a significant impact on the Australian car industry. Can you give us some advice about the progress of those negotiations? I understand the last round of meetings was held from 24 to 26 February. Are you aware of progress in the GCC's negotiations with other countries which might give us reason for concern about our car exports to that part of the world?

Turning to Vietnam, I note that in the past the minister was quite vigorous in his criticism—when he was in a different role—about the previous government's recognition of China's market economy status. I ask the minister: what is the justification for recognising Vietnam's market economy status? Were there any studies, reviews or detailed examinations which led you to the conclusion that this was indeed a genuine and open economy worthy of being granted such status? Will there be any antidumping cases lodged in relation to imports from Vietnam that could be affected by this change of status?

Finally, in relation to China, our No. 1 priority trading partner, on 22 September 2008 you said, in a ministerial statement to parliament:

We have unfrozen the China FTA negotiations.

On 20 February 2009 you said:

China needs to come back to the table on a free trade agreement with Australia ...

On 14 May, just two weeks ago, you said that the China FTA was:

... stalled at the technical level.

... ..

We're not going to go in and negotiate with ourselves. We've been doing that for all the rounds up until now.

What is the status of the current negotiations? Has a further round of discussions been scheduled? The Prime Minister said last November that he and President Hu Jintao had:

... agreed to adopt a fresh approach to speeding up the conclusion of this agreement even more.

Has the Prime Minister contacted President Hu again? Or was his statement that he was confident that we can get real progress in the period ahead just a bit of government spin?

Mr CREAN (Hotham—Minister for Trade) (7.45 pm)—The Gulf Cooperation Council is an issue for us not just in automotive terms but because, in my view, there is a huge opportunity for a strengthened economic relationship with the Gulf. We sent officials last week for another round of negotiations but were disappointed that they were not prepared to put a goods offer on the table. I have had telephone conversations with ministerial counterparts within the region, in particular with Saudi Arabia, to try and advance the political will in these negotiations. As for the European negotiations, they have not been able to conclude. We have made it quite clear that if any concessions are made on autos then we would expect the same consideration to be given to us. But, quite frankly, what we are looking for is a much wider relationship than just autos.

Mr Truss interjecting—

Mr CREAN—They have made no more progress either as far as I am aware in terms of autos. But, in any event, the commitment that we are seeking is that if they extend any entitlement in terms of preferential treatment then we would expect that to flow to us, and I have been very clear on that.

Let us talk about Vietnam and market economy status. Yes, we did recognise market economy status and we were prepared to do it because Vietnam was prepared to pay for it. They paid for it by signing up to AANZFTA—the ASEAN-Australia-New Zealand Free Trade Agreement—whereby they have had to make important concessions for market liberalisation. You have heard me talk about AANZFTA before. It is collectively our second-largest market behind the EEC. It is something in the order of \$80 billion in two-way trade before this free trade agreement was struck. It has 600 million people and those countries, Vietnam and Indonesia included, are still growing. So these are opportunities for us to grab that market share, hence the need to invest in the Export Market Development Grants Scheme to help our companies get market share.

You asked me the question as to how we rationalise that compared to our criticism of you on China and the granting of market economy status. It is simple: because you got nothing in return. You negotiated a dud agreement. That is why, after having conceded the point about market economy status, the talks stalled. They got what they wanted and made no commitment to do anything else. Now you come and ask us if we are making progress. You have conceded the most significant point to them without getting a damn thing in return. There is a fundamental difference between our approaches; and not just to negotiations generally but to understanding the importance of getting a give and take concept—the fundamental concept of bargaining—which seemed to escape your previous government.

As for China, the talks have stalled at the technical level but they have not stalled at the political level. What we still have to break through with at the political level is the coordination mechanism within China itself. I believe the political will to conclude this agreement does exist. It is a political will that has been exchanged at the leadership level with our Prime Minister and their president and prime minister, as well as at the level of my engagement with the trade minister. I went to Beijing about six weeks ago and made it quite clear that we were not going to settle, in agriculture, for anything less than New Zealand and that they needed to understand that. Secondly, given the whole issue surrounding investment in this country, they

needed to understand that investment was a two-way street and that we should also be developing a framework for facilitating investment flows between our two countries.

The only point I make in terms of the next trade negotiating round is that I am not going to send officials to negotiate the next round unless we get a stronger political signal. If we were to get the political signal, we would be there tomorrow to undertake the 14th round. This is the clear message that we have conveyed, and I am in regular contact with my counterpart in China. I am confident that we can conclude an agreement, but it is only going to happen if the political will is not only given but subsequently acted on.

Proposed expenditure—\$4,966,185,000—agreed to.

Agriculture, Fisheries and Forestry Portfolio

Proposed expenditure, \$565,856,000

Mr JOHN COBB (Calare) (7.51 pm)—I thank you, Madam Deputy Speaker, and acknowledge the Minister for Agriculture, Fisheries and Forestry. I want to speak about the cuts to AQIS, in particular, and about the fact that the government proposes to take out the 60 per cent agreement negotiated with the industry back in 2001 and the effect that will have. It will have a very real effect on some industries that has to be acknowledged. For some industries, such as traders in the meat industry in particular, the effect will be much greater than it will be for others. I can mention one trader in Sydney with a turnover of some \$50 million whose AQIS charges, counting the loss of the 40 per cent plus the increase in charges, look as if they will go from something like \$60,000-odd to \$600,000. I think you would agree that that is an enormous increase. This increase will affect everybody who has to export and use AQIS services, whether it be in horticulture, fisheries or any other commodity.

Can the minister explain, in respect of the reported \$40 million deal he has put to exporters over the last week or so, whether the return for their support for this new deal—for the abolition of the 40 per cent rebate—is going to be new money? If so, where is that money coming from? If not, will he need to pass a new appropriation bill to provide that money? Has the minister threatened commodity groups that, unless he gets their agreement by the end of this week, he will take the deal off the table? Why is the minister unwilling, given that he has agreed to look at producing efficiencies within AQIS, to make the AQIS charges cheaper for exporters? Why is he unwilling to commence the efficiencies first and reduce the rebate as the efficiencies take place?

Mr BURKE (Watson—Minister for Agriculture, Fisheries and Forestry) (7.54 pm)—I want to thank the shadow minister for his presence here tonight and for the issues that he has raised. For parts of what he has raised, it will come as no surprise that I am not in a position to announce what has not yet been announced. Notwithstanding that, there are some issues in the public arena that he has referred to and I think it is important that I deal with those directly. The shadow minister referred to the government's or my decision to end the 40 per cent export subsidy. The 40 per cent export subsidy was never established as a permanent system—never. When it was announced by the previous government it was always as an expiring program, and the expiry date ultimately for that program was the end of June this year. The decision that the government took was not whether or not to end the 40 per cent export subsidy; the decision was whether or not to keep to the program dates that had been put in place by the previous government. We made the decision, following the receipt of the Beale report, that we would keep those dates. Since that point there have been discussions with industry.

A great frustration that has existed all the way through on this is that, for \$40 million a year each year over the past eight years or thereabouts, when you ask what reforms and what efficiencies we have to show for it, the answer is: not much at all. If I were to be asked, as I did have to be asked, 'If I had \$40 million available, what would I do with it in Quarantine?' the answer is that I would want to drive long-term efficiencies and I would want to improve biosecurity at the border. It is no surprise that that was my conclusion, given that when I became the minister Australia was in the middle of equine influenza, when the horse industry, which is certainly not the biggest agricultural industry, took a \$1 billion hit. So I do understand, right at the coalface, exactly what it means to have inadequate biosecurity protections at the border. That was the basis of the original decision, and from the moment that decision was made we began talks with industry as to what we might be able to do to help drive efficiencies. Those discussions are continuing. I am hopeful that they will close very soon, but they have been continuing.

The issue the shadow minister refers to about what would happen to any reform program valued at, say, \$40 million if it were disallowed anyway is really a simple one. If we had disallowance of the new fees and charges and we suddenly had a \$40 million hole in the AQIS budget I would have to find \$40 million. That would mean that the reform program that hopefully gets negotiated—though we are not there yet—would be in deeply serious jeopardy. The shadow minister also raised an issue of time lines, as to why I have been so determined to get all of this sorted out basically by deadlines that we are approaching in the course of this week. The reason for that is simple. I have no level of faith that the National Party would not move a disallowance as late as August or September next year. If they did so and if it were carried by the Senate we would be in the situation of having a massive hole in the quarantine budget and of not being able to perform the essential tasks of AQIS. For that reason I want to do everything that is possible, and hopefully it will be possible, to make sure that the new fees and charges are put on the table so that they are disallowable in the course of next week. I hope that we reached a landing point with industry that the opposition choose not to get in the way of. I hope that industry ends up happy enough with the reform project and that the opposition is willing to respect the views of industry. But, if they are not, I am not going to put Australia's biosecurity at risk in a way that the opposition have been threatening.

Ms SAFFIN (Page) (7.59 pm)—Minister, as we have a cast of colleagues here all anxious to ask you questions I will cut straight to the core and ask my question, even though I would like to talk for five minutes. Firstly, I want to thank you for the support you gave at the time of the floods in my area in Page in order to make sure that our farmers and small businesses got access to the \$15,000 cash grants. My question is: how is the government supporting Australian farming families through the budget?

Mr BURKE (Watson—Minister for Agriculture, Fisheries and Forestry) (7.59 pm)—I want to thank the member for Page for the question. There have been a couple of times now—one on my own and one with the PM as well—where I have had the opportunity to meet farmers within the electorate of Page, together with the member for Page. There is some extraordinarily modern production and some innovative methods that go on in that part of the country. That is in the face of having received some of the best and some of the worst of what the weather and the climate have to offer.

What I would like to focus on in response to the issues that have just been raised is what the budget is doing within the agriculture appropriations with respect to exceptional circumstances payments. There has been some mischief—I could use the word ‘mischief’, but I will not be so unkind—in the reporting and complaining about what has happened with forward appropriations on drought payments. I would like to take the opportunity that has been given to me by the member for Page to explain how it works. Essentially in this budget, with the exception of one change, it works the way it always has, which is that forward appropriations appear in the budget papers for EC payments to the extent that there are current declarations in place. Anything beyond that does not appear in the forward appropriations. That is the way the previous government handled EC, and that is the way we have continued to handle that in the way it is appropriated in the budget papers.

There is one minor change, where some money now appears in the Treasury budget papers as opposed to the Agriculture, Fisheries and Forestry budget papers. That is a change that was part of a COAG agreement, and so there is a further extent to which the amount which appears in the budget papers before the Main Committee at the moment is a lower dollar figure than you would have seen in the way that that was budgeted for under the previous government. In terms of total dollar amounts for farmers, there is no change. There is no change in how that actually works. But there is a difference in the formalities of how that is recorded in the budget papers.

The only other reason that the amounts which are in these budget papers for drought assistance are lower is a really good reason, and that is that big parts of Australia have come out of drought. I acknowledge the presence in the chamber of the member for Riverina, whose farmers are probably doing it tougher than in almost any other part of the country. From the Riverina, through Sunraysia and down into the Riverland area, the irrigation drought has hit people in a way that previous droughts just have not. There have been particular difficulties there. But for much of the country, particularly the north of the country, there have been welcome rains. Some within the electorate of Page came all at once, in ways that were not necessarily so welcome. But areas like New England, and some areas throughout Queensland as well, are having some of the best seasons they have ever had. That means that, after the National Rural Advisory Council conducted their assessment, some areas have come out of EC. That means that those amounts do not appear in the forward appropriations anymore.

There was also a range of further drought support programs that deal with mental health support, financial information and other services that were expiring programs at the end of next year. These are programs that get renewed from time to time. We have extended those for 12 months only. The reason we have extended them for 12 months only is that, in the hope that we can arrive with industry at a new drought policy, those programs are very likely to be replaced by a different suite of programs doing very similar work but possibly organised in a different fashion.

Mrs HULL (Riverina) (8.03 pm)—Thank you for that explanation. Minister, you have touched on exactly what I was going to raise on the issue of EC support. You are aware, obviously, that on page 60 of the DAFF budget statements there is a statement reading:

The reduction in expenses between 2009-10 and 2010-11 is due to the cessation of drought programs.

On page 27 of the department Treasury budget statements under ‘Exceptional circumstances assistance’ there is no allocation for those years 2009-10 and 2010-11. That is only to the end

of June 2009. Will you reassure the agriculture sector, the small business industries and those people in rural and regional Australia who are still EC declared that you will secure funding for those people who, as I said, are EC declared after 30 June 2009, being two weeks away?

Mr TREVOR (Flynn) (8.05 pm)—Minister, can you please give to me and this House one billion reasons why the Nationals cannot add up? As part of that question, Minister, can the Nationals properly read the budget papers, have they embarrassed themselves by misreading the forward estimates and claiming \$1 billion has been cut from the portfolio budget and should they go back and read the budget papers again and play a constructive role in discussing how to help cushion rural and regional Australia from the global recession? So I again ask you, Minister, could you please give to me and this House one billion reasons why the Nationals cannot add up?

Mr BURKE (Watson—Minister for Agriculture, Fisheries and Forestry) (8.06 pm)—I thank each of the members for their questions on somewhat different themes. Can I deal first of all with the question from the member for Riverina. I do not have the Treasury budget papers in front of me, but I will refer to the question that was asked of Agriculture, Fisheries and Forestry's budget papers. The reason you have an unusual annotation that had not appeared in previous budget papers is that in the ordinary course those programs may well have been extended for a further four years. The reason for doing it for 12 months is purely in the context of a drought review which would, presuming we reach a landing place with industry, have a new suite of programs that would cover similar work.

In terms of the overall effort of making sure that we continue to provide the support in mental health, in EC payments and in financial counselling, there is no change for people in any of those, even though there are some different methods that appear in the budget papers. The level of support that was there last year and that was there the year before is there next year as well for people on EC.

Can I also add the guarantee—to repeat again here what I have said a number of times and has been stated as well by the Prime Minister—that as we look toward any future drought policy, and as we look towards trying to find a way of shifting from crisis management to risk management, the only way you can properly do that is by saying that those would be rules which would apply to the next drought, not to the current one. That is why, even under the proposals we are looking at for a potential new drought policy, we are not looking at and not canvassing any options which would change the rules from under people who are currently receiving EC assistance. Any changes are about trying to help people who are already off the EC prepare for the next drought. They are the sorts of principles that have guided everything within the drought reviews. That has been affirmed by me, affirmed by the Prime Minister and affirmed by all the agriculture ministers around Australia at ministerial council as well.

Mrs Hull interjecting—

Mr BURKE—The level of money in the budget is as I have described. You have some of it in Treasury papers, some of it here. On the extra expenses that you have, there are a series of a expiring programs that do continue, although you will find that some of them appear in different parts of different budget papers.

I will deal then with the comments that were made by the member for Flynn. I have got used to the fact now that the day after any budget there will be a media release from whoever

is the Leader of the Nationals and from whoever is the shadow minister for agriculture, fisheries and forestry, saying, 'This is a disaster for the bush.' It will always be there. It will always be using the same set of arguments that could have been levelled at any of their previous budgets, based on accounting systems that are used. This budget is, indeed, no different.

Mrs Hull—But they didn't say the drought programs would cease before.

Mr BURKE—To say that there had been a cut of \$1 billion to the Department of Agriculture, Fisheries and Forestry was, I think, an extraordinary and dishonest thing to claim. There is no way in the world that anyone looking at it fairly could claim that there was a \$1 billion cut. There were cuts and, at every point, I have been completely upfront about what those cuts were. Land and Water Australia was a real cut. It will be \$13 million in the long term, and about half of that is because of the wind-up operations that we are currently involved with. There is a further cut of \$3 million to the Rural Industries Research and Development Corporation. That is a real cut. There is also a \$3.4 million cut to the work of my own department. Those are real cuts and that does happen at a time when there is a collapse in government revenue across the forward estimates in the way that we have seen. But for those opposite to add that up and to claim that we are talking about a \$1 billion cut is completely dishonest.

If, in a moment, the shadow minister wants to stand up and explain why \$13 million plus \$3 million plus \$3.4 million equals \$1 billion, he is welcome to do so. He is also welcome to say where the opposition would add \$1 billion to the deficit for new spending programs that it would like to put in place. One of the major cuts that he refers to, when you get into the billion dollar figure—(*Time expired*)

Mr JOHN COBB (Calare) (8.10 pm)—I have a quick comment to make on drought: never before has the agriculture section in the budget papers referred to the cessation of drought programs. So I think it is pretty obvious where the minister is going on that one.

I would now like to touch on the minister's real love, which is climate change. Because he often says that he could probably be referred to as the 'assistant minister for climate change', I draw his attention to the RIRDC report on the effects of his government's proposed CPRS on agriculture. Despite the fact that it is a government report, it goes quite deeply into the effect of the scheme on agriculture, whether or not agriculture is included directly in the scheme. The effect is substantial. Cuts in income terms of up to or even over 22 per cent are severe—and I am sure that the minister would acknowledge that. In question time a couple of weeks ago, in answer to a dorothy dixer from your side to you, Minister—

Mr Burke—Questions without notice.

Mr JOHN COBB—I beg your pardon, Minister—you referred to the fact that agriculture was going to be in a terrible plight anyway as a result of climate change and that, if we did not fix it, the losses would be substantial. If it goes that way then of course you will be right. So I guess you belittled us because we felt that you were knocking agriculture—despite the 22 per cent cut, which is pretty significant in itself. But you neglected to mention the fact that, at this point in time, Australia is the only country in the world that is proposing a scheme which would have anything like this effect on agriculture, whether or not it is actually included in the scheme. So, in effect, are you not saying that Australian agriculture is going to be affected by climate change—in other words, less rainfall, less moisture—and that, on top of that, you

are going to add 22 per cent in cuts that are man-made when no other country in the world is doing that?

Mr BURKE (Watson—Minister for Agriculture, Fisheries and Forestry) (8.14 pm)—If I can first of all refer to the issues raised there by the shadow minister. In the RIRDC report to which he refers are similar issues to some that I have raised with respect to some of the ABARE modelling. Modelling by definition is always going to have to involve particular assumptions. That is the nature of any modelling. It does not make the modelling worthless but it does limit the extent to which you can use the modelling as an accurate predictor of what will happen in the future. For both the RIRDC modelling and some of the ABARE modelling, I thought it was important to make it public as it has come to me, and I have made it public, including the documents that I tabled that I think you were making reference to in what you terribly referred to as a ‘dixer’ in question time that day.

One of the assumptions is one that I think everybody, no matter how closely or remotely they are involved with agriculture, knows is a massively false assumption, but it is used in all the models. It is that there will be no behavioural change by farmers. The ABARE modelling that I have referred to about the impacts of climate change presumes that there will be no behavioural change from farmers. We know that is not true. In fairness, how do you model and take into account what the behavioural change will be? It is extraordinarily difficult to do so. I am not critical of the researchers for using those assumptions, but it is extraordinarily unlikely and would be completely inconsistent with what farmers in Australia have done throughout the generations. There will be adaptation. The RIRDC modelling includes that same assumption that there will be no behavioural change.

There is also a concept in some of that modelling as to whether you are looking at changes in input costs or changes at the processing level, and the most extreme projections—the ones that we have both referred to at different points, because I thought it was important to put it out there, and no doubt once I put it out there you found it helpful for a series of other arguments—presume that 100 per cent of the increase in input costs is borne by farmers and 100 per cent of the downstream costs are also borne by farmers. That presumes not only that there is no behavioural change on farms but also that there is no behavioural change at any point of the value chain. It then also presumes that every one of those charges gets passed back to farmers. That part of it is often true—to a large extent, prices do get passed back to farmers. But, as to the presumption there will be no behavioural change at any point along the value chain, I have to say I just do not believe that. It is completely inconsistent with everything that I have ever seen.

I can refer now to EC payments, because I had a chance once I sat down to have a more detailed look at the table the member for Riverina referred to. The specific EC payments are the ones I was referring to that now go through the COAG process and through Treasury, but I take the question in good faith, and particularly the line towards the end of the member for Riverina’s question. Can I provide a guarantee and certainty for the farmers in her area who are on EC that they will continue to receive that beyond 1 July this year? The answer is yes. The guarantee that was sought for people who are currently on EC remains there as a guarantee, unchanged.

There was another issue that I started to refer to in response to the member for Flynn, where we were talking about how you get to \$1 billion. There were a number of expiring pro-

grams that made up the billion dollar figure that the shadow minister was complaining about the day after the budget. One of those was the Tasmanian Community Forest Agreement. I have to say I have had no-one, including from the forestry sector, argue that that was anything other than a terminating program. Another related to the Murray-Darling Basin irrigation management grants, which we actually extended beyond their original termination dates. We kept extending those and I have had no-one argue that this is anything other than reasonable. Finally, a large part of that billion dollar figure was the termination of the Dairy Adjustment Levy. The Dairy Adjustment Levy was not just an expiring program; it was an expiring program for which we put special legislation through to deal with the wind-up earlier this year, and it went unanimously through the parliament. If the National Party want to argue that there are \$1 billion of cuts to agriculture, all but \$20 million of that are cuts that they supported.

Mr HALE (Solomon) (8.19 pm)—I will be quick because I am a caring, sharing type of guy and we are running out of time. I did have a good spiel written here, but I would just like to acknowledge all the members who are in here tonight to ask questions of the agriculture minister, because we all have a passion for people in rural and regional Australia and that is why we are in this debate. What I will say is that in the Northern Territory we have our rec fishing industry, we have our live cattle export trade and we also have our agriculture and mangoes—three very different industries with very different needs. My question to you, Minister, is: can you outline how the Rudd government is investing in a robust biosecurity system for Australia?

Mrs HULL (Riverina) (8.20 pm)—Minister Burke, I am heartened to hear that you will honour the current EC agreements in my electorate, which will cease in March 2010, all things being obvious. My concern is that, if in March 2010 EC funding is required again, there is nothing that I can see in the forward estimates. I refer you again to the portfolio budget statement, which says:

The reduction in expenses between 2009-10 and 2010-11 is due to the cessation of drought programs.

Minister, I have come here in good faith this evening—not to be flippant; not to make fun—in the very best interests of the people I represent, and I find it just so distressing to hear jokes being made about very serious issues.

Mr Adams interjecting—

Mrs HULL—The minister has made reference in the past to the way in which forward estimates on drought funding are calculated, saying it was identical to the way in which it was done under the previous government. This was as a result of a question without notice to you on Thursday, 14 May. In your response to that question, you indicated that the method was identical, but then this evening you indicated that there are some differences to the way we did it. On Thursday, 14 May, you made a statement with quite an impact about the Nationals and the people on this side, saying the way of doing forward estimates was identical—identical—but this evening you have made the statement, ‘Well, it does differ.’ What is the truth?

Mr BURKE (Watson—Minister for Agriculture, Fisheries and Forestry) (8.22 pm)—If I can deal with the member for Riverina’s issues first and then respond to the member for Solomon. The thing that is absolutely identical about the way the forward estimates are dealt with is that the forward estimates only show current drought declarations—current EC decla-

rations. That is absolutely identical. The thing that is different is that some of those payments appear in a different set of budget papers to where they used to appear. But the way in which those figures are calculated is absolutely identical.

I am very glad the member for Riverina raised an issue at the beginning of her question about what happens when the current EC declarations expire. The comment the Prime Minister and I have consistently made with respect to any new drought policy is that we are talking about continuing the current system for current recipients for the duration of the current drought. Now, we all wish the current drought had expired well in advance of current EC declarations. The likelihood of that happening nationwide is at best remote. In all the discussions we have been having with industry we do so on the basis that there will continue to be a National Rural Advisory Council and that, for existing drought declared areas, it will continue to assess whether those declarations need to be extended or not. That is the basis on which we have been operating.

That is why we have legislation before the House of Representatives right now which deals with allowing me to extend the terms of the current members of the National Rural Advisory Council. If we were ending drought declarations, I would not need to do that. The fact that that legislation is in the parliament at all should be taken as a very strong show of good faith that we are working on the basis that, for the current drought, the current system is in place. But we do not want to wait for the next drought, for areas that have already come out—wait for the crisis—before the government get involved. Now, these are difficult budgetary times to try and work through those issues, but the conversations we have been having with industry are on the basis that we want to try to find a way of working through those issues. But nothing should be read into the current expiry dates for drought declarations. The intention of the government remains that the National Rural Advisory Council would provide recommendations to me on any existing declarations as to whether or not they ought to be extended. So that is the basis of that.

I thank the member for Solomon for his question and acknowledge his strong engagement, particularly with the Northern Territory Cattlemen's Association. I know he is very strongly engaged with them. I am reminded that, at the time of the last election, when he was campaigning, he had to deal with a scare campaign, not claiming that we would cut billions of dollars from agriculture but claiming that we would shut down the live export industry. That says something about what you can expect from National Party scare campaigns, given that we have now opened more markets than the previous government.

The member for Solomon was one of the first people to say, 'You've got to come to my seat and you've got to visit a farm,' and he took me a farm, just out of Darwin, where they grow crocodiles. That is the only crocodile farm I can say I have visited in my time in the portfolio and I thank the member for Solomon for that.

Biosecurity has been provided with transitional funding of \$156 million, once again, through to the end of June next year. My department, DAFF, receives \$92.2 million and \$63.8 million goes to Australian Customs and Border Protection Service to maintain our animal and plant health status.

One of the things we did shortly after coming to government was a comprehensive review of all issues relating to biosecurity, headed by Roger Beale. That Beale report calls for some

far-reaching reforms. What we have done in this budget is maintain the current system while we work our way through each of the recommendations contained in the Beale report.

Mr ADAMS (Lyons) (8.26 pm)—I know the government is committed to R&D and providing matching funding for rural research and development. I know we have some new initiatives in that area, for example, the Climate Change Research Program, the Regional Food Producers Innovation and Productivity Program, FarmReady and the Reef Rescue Water Quality Research and Development Program. Minister, you might like to detail the government's commitment to rural R&D.

Mr TURNOUR (Leichhardt) (8.27 pm)—I also thank the Minister for Agriculture, Fisheries and Forestry for making himself available tonight. I follow on from the member for Lyons with some questions on climate change and response. My electorate spans Cairns, Cape York Peninsula, the Great Barrier Reef and the wet tropics rainforest. The agricultural sector and tourism industry in the North are obviously at risk from climate change. I am interested in the responses, particularly the reef rescue program. I notice the strong representation from the agricultural sector on our side of the House. We do have a couple of people from the National Party here this evening, but there is nobody from Queensland, which is very disappointing. It is supposedly the home of the National Party, but there is nobody from the National Party in Queensland here to ask questions of the minister for agriculture. I think it is very important to get that on the record. Minister, I would appreciate your response on climate change—an issue I know the National Party is very passionate about.

The DEPUTY SPEAKER (Ms AE Burke)—In the interests of time, I ask the member for Calare to ask his question before the minister responds.

Mr JOHN COBB (Calare) (8.28 pm)—Thank you. The Minister for Agriculture, Fisheries and Forestry might recall that, back on 25 February 2009 in company with the Minister for Climate Change and Water, he stated:

... the Government has always acknowledged that you do need to have some land use change, and that will be an implication and outcome of the White Paper—

The white paper from late last year on an ETS—

but our advice has always been that we'd be looking at marginal land.

The Minister also stated:

The advice that came back to me was that under the White Paper and the proposals that are there, prime agricultural land would not be at threat. It would be marginal land, where the economics stacked up, for people to be looking at doing more tree-planting.

What will be the land use change the government has always acknowledged is needed and that will be an implication and an outcome of an ETS, as it was then, which is now a CPRS? Where will that land use change take place and how? What is the actual definition of marginal land that you were referring to when you stated: 'our advice has always been that we'd be looking at marginal land'? Could you tell us which maps you are using to define marginal land? In answer to a question from the Leader of the Opposition, you indicated that he did not know what he was talking about, yet your own indication seems to be that your definition of marginal land is not the same as ours.

Mr BURKE (Watson—Minister for Agriculture, Fisheries and Forestry) (8.30 pm)—I want to thank the shadow minister for his question, and the members for Leichhardt and Ly-

ons for their questions. With respect to the member for Leichhardt and the member for Lyons, can you please be a bit patient because I want to deal with that last question from the shadow minister first. Given that I have never in my life stood in the parliament and been asked a question by the Leader of the Opposition, I can only guess that the question to which he was referring was a question which was about the Leader of the Opposition rather than one being asked by him. But should the tactics committee of the opposition decide that it becomes the role of the Leader of the Opposition to ask questions of me, I will be happy to answer them. I do not seem to get too many from the shadow minister. So, if the Leader of the Opposition wants to have a go, that would be tremendous.

Certainly any of the projections and any of the concepts of land-use change go not only to examples such as those on some grazing land where along the boundaries of pastures there can be limited strategic tree plantings but also to changes in land use in terms of what can be done with the quality of permanent pasture. Some of these issues go to where we end up post Copenhagen as well in terms of the Australian negotiating strategy of being able to separate emissions which are caused by human intervention from emissions which are caused by natural causes. If we are successful in that, it becomes far easier to come up with efficient methods of being allowed to give farmers full credit for the carbon that they sequester in the soil. So there are a few questions that come off the back of that—but which are of themselves examples of land use and land-use change.

I will give a really simple example of a farm that I visited in the electorate of Corangamite about two months ago when the member for Corangamite took me out there. They have done some limited farm forestry on that farm. They have reorganised their paddocks, put farm forestry down the boundaries and provided increased shading for their stock. In doing so they have taken up a reasonable percentage of their land but with no reduction in their stock numbers at all. If done strategically and if done the right way, there is significant potential to get the right match of being able to improve the carbon sequestration in the soil through limited farm forestry while simply making your pastures more productive than ever. It is better for the stock because the stock are then able to access shade in ways that they were not otherwise able to previously, and stock numbers do not necessarily have to decrease at all. That sort of thing on the margins of grazing land is something that can be done—where you marry an improvement in productivity of the land that remains as pasture with farm forestry strategically placed around those boundaries. Those sorts of outcomes are significant land-use changes but land-use changes that result in significant improvements in productivity.

There is an alternative path, of course, and the alternative path is to rip out sugar cane from land and whack some trees onto it. That is not the government's approach—although from time to time there have been some members of the opposition who appeared to have thought that having a scheme where everyone is a winner but there is just less to eat is a more favourable option than what our perspective would be. That sort of land-use change is not one that we, at any point, have contemplated. There is a great story to tell in response to the issues raised by the member for Leichhardt about Reef Rescue. Reef Rescue is now at a point where we are getting significant involvement—there is a figure in the many hundreds of farmers along the north coast of Queensland in the areas adjacent to and flowing onto the Great Barrier Reef. Farmers and farm organisations, whether they be in cattle or in sugar cane in particular, have become very much involved in the Reef Rescue program under Caring for our

Country. Once again they are doing the right thing by the environment and improving their productivity on the way through. It is those sorts of outcomes that we are trying to drive through Caring for our Country.

In the limited time left to answer the question asked by the member for Lyons, I would say in terms of research and development programs in particular that we are now into the next year of the Climate Change Research Program. I am talking about some \$46.2 million. We have a situation now where for this year's budget our R&D total spend remains higher than the total spend in terms of administered expenses of the last budget of the previous government.

Proposed expenditure—\$565,856,000—agreed to.

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

Main Committee adjourned at 8.36 pm